



Organization of MISO States

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OMS Executive Director Report May 5, 2006

FERC Activity

1. On April 21, FERC held a technical conference on Cost Allocation Methodology for High Voltage Baseline Reliability Projects in the Midwest ISO Region. The conference addressed the system-wide allocation of the cost of new transmission facilities of 345 KV or above. OMS President Steve Gaw, accompanied by Randy Rismiller of the Illinois Commerce Commission, appeared on the first panel, along with MISO and the Transmission Owners, to explain the derivation of the filed 20% system-wide allocation. Kim Wissman of the Ohio PUC appeared on the second panel, advocating the PUCO's position that no system-wide allocation should be made.
2. On April 20, 2006, the FERC accepted some elements of PJM's Reliability Pricing Model but set a process to resolve other features of the proposed capacity market in PJM. Comments may be filed June 2 and replies June 16. A technical conference will follow.
3. On May 18, 2006 FERC Commissioners will meet with the market monitors of RTOs and ISOs to discuss their role in their regional markets. A Free webcast will be available.
4. On April 25, the FERC issued an order in Docket No. ER04-691-065, ruling on MISO's filing of October 27, 2005, related to revenue sufficiency guarantee issues. The purpose of the filing was to bring the tariff in to conformity with actual practice in the energy market and to improve incentives for producers to follow dispatch instructions. The order made several holdings that are of concern to MISO's legal counsel. It requires recalculation and resettlement of RSG charges and application of RSG to virtual offers from the opening of the energy market. It requires imports to be excluded from RSG calculations. It found that the tariff did not preclude

payment of production cost to generators that deviated from dispatch instructions. MISO staff is concerned that the resettlement of market operations and refunds cannot be accomplished in the thirty days required by the order, and is considering the relief it may ask from FERC. Refunds resulting from this order could lead to additional uplift charges.

EPACT Scorecard

The following summary lists selected items with regional impact. For a more complete list, see FERC's EPACT section at:

<http://www.ferc.gov/legal/maj-ord-reg/fed-sta/ene-pol-act.asp>.

The Department of Energy's corresponding list is at a redesigned website: <http://www.electricity.doe.gov/epact2005.cfm>

1. On April 21, President Gaw and Bill Smith met with Department of Energy staff for general discussion of the corridor designation process. The DOE's activities are available at <http://www.electricity.doe.gov/sec1221.cfm>
2. The Midwest-PJM Regional Joint Board on Economic Dispatch, convened pursuant to Section 1298 of the EPACT, met by telephone May 1. The final draft report will be distributed May 5. Members of the Board will be asked to endorse the report or submit dissents by May 12 for transmittal to FERC.

OMS-MISO Activity:

1. A Special Advisory Committee meeting, held April 12, supported MISO's proposal to file recommended changes to the MISO tariff with respect to Revenue Sufficiency Guarantee payments.
2. The Annual Stakeholder meeting was held in Indianapolis on April 19. OMS President Gaw gave the views of OMS, which were well received by the MISO Board and by other sectors.
3. The Ad Hoc Committee on MISO Committee Structure met on April 28. It has set future meetings for May 16 and June 14.
4. OMS is preparing a conference on Resource Adequacy issues in Chicago on May 8-9.

Public Relations

1. Pending speaking/meeting invitations:
 - April 27 – Bill Smith spoke on Regional Transmission issues to the American Association of Blacks in Energy Annual National Conference in Detroit.

Potential Upcoming MISO Filings of Regional Interest

Filing Date	Docket No.	Description	Pursuant to Commission Order
5/22/06	ER06-666-000	The Midwest ISO to provide a compliance filing to further clarify the allocation methodology for the year-end distribution of the Excess Congestion Fund.	115 FERC ¶ 61,077 (2006)
5/25/06	ER04-691-065	The Midwest ISO to submit its compliance filing regarding the RSG provisions relative to virtual transactions.	115 FERC ¶ 61,108 (2005)
6/1/06	ER06-18-000	The Midwest ISO to submit a compliance filing to propose a cost allocation of Regionally Beneficial Projections (economic projects with one RTO that benefit the other).	114 FERC ¶ 61,106 at P 90 (2006)
6/6/06	ER06-____-000	The Midwest ISO to file its Resource Adequacy filing.	Pursuant to Stakeholder discussions at the Ancillary Services Roundtable and other stakeholder forums.
6/16/06	ER04-691-023, EL04-104-022 and ER04-960-002, et al.	The Midwest ISO and MAPP to submit their 90-day informational filing regarding the Seams Operating Agreement.	110 FERC ¶ 61,290 at P 35 (2005)

The Midwest ISO does not guarantee the accuracy of the information on this list, nor does it guarantee the complete listing of all Midwest ISO regulatory activities ongoing at this time.