



Organization of MISO States

**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
May 8, 2008**

Approved June 12, 2008

Dan Ebert, Vice-President of the Organization of MISO States, Inc. (OMS), called the May 8, 2008 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CST). The following board members or their proxies participated in the meeting:

Bob Lieberman, Illinois
Greg Server, Indiana
John Norris, Iowa
Jeff Johnson, proxy for Mark David Goss, Kentucky
Monica Martinez, Michigan
Tom Pugh, Minnesota
Jeff Davis, Missouri
Brian Dekiep, proxy for Greg Jergeson, Montana
Tim Texel, proxy for Eugene Bade, Nebraska
Jerry Lein, proxy for Susan Wefald, North Dakota
Valerie Lemmie, Ohio
Jim Melia, proxy for Kim Pizzingrilli, Pennsylvania
Gary Hanson, South Dakota
Dan Ebert, Wisconsin

Absent
Manitoba

Agency members participating

Randy Rismiller – Illinois
Brad Borum, Laura Cvengros – Indiana
Andy Satchwell – Indiana UCC
Jorge Valladares – Kentucky
Bill Bokram – Michigan
Burl Haar – Minnesota
Mike Proctor – Missouri
Bryan Baldwin – Montana

Others on the call

Doug Hills – Duke Energy
Graham Edwards, Victoria Hoskins – MISO
Don McCormick, SAIC
Bill Smith – OMS Staff

The directors and proxies listed above established the necessary quorum for the meeting of at least eight directors being present.

Approval of Minutes from 2008 Board of Directors meetings January 24, April 3 & 15, 2008

Valerie Lemmie moved for approval of the January 24, April 3 and April 15, 2008 OMS Board of Directors meeting minutes as distributed to board members. Gary Hanson seconded the motion. The minutes were approved by a unanimous voice vote of the directors.

Treasurer's Report –Treasurer Gary Hanson

The beginning balance as of April 1 for the Wells Fargo Business Performance Savings Account was \$58,598.93. Interest earned for this month was \$64.40. The April 30, 2008 balance was \$58,663.33.

The beginning balance as of April 1 for the Chase Bank One Checking account was \$134,607.65. The total disbursements from the checking account for April 2008 were \$49,101.59. Deposits, interest and adjustments were \$80,090.00. As of April 30, 2008, the checking account bank balance was \$174,640.59 and the book balance was \$165,596.06 (with 23 checks outstanding).

The total savings and checking account balances as of April 30, 2008 is \$224,259.39

Under the circumstances of the timing of deposits and the number of checks outstanding, the decision was made to not request MISO cease monthly deposits.

Valerie Lemmie moved to accept the treasurer's report. Greg Server offered a second. The motion passed by unanimous voice vote of the directors present.

Review of the Executive Committee Meeting, April 24, 2008 – Bill Smith

Bill Smith highlighted items from the April 24, 2008 Executive Committee Meeting:

- Personnel issues were discussed: the review of the executive director is finished and the IRS resolution of the employee retirement plan.
- The OMS audit is almost complete and will be in the Board's hands by the next regular meeting. The non-profit filing will be timely made.
- The Executive Committee reviewed the OMS retreat and the meetings with the MISO officers in March & April. There are two specific upcoming projects discussed: one is the market value project; the other is governance & OMS participation.
- Calendar matters were also discussed, many of which will be touched on in this meeting.
- The Committee also talked about RECB workshops, scheduling and planning.

Administrative Report from Executive Director – Bill Smith

The administrative update was emailed out following the meeting and follows the minutes.

BUSINESS

1. ASM Status and Update – Graham Edwards, MISO

Graham Edwards gave the following updates on the ASM status:

- Testing continues. There was a 90 minute test on May 7th. It went well.
- The software upgrade looks good and performs well.
- The Readiness Advisor continues to do his work.
- There will be a complete report at the MISO Informational Forum next week.

2. MISO Advisory Committee Meeting – Dan Ebert

Dan Ebert reported that there is no May Advisory Committee meeting. There is a possibility that a call could be scheduled to talk about the interconnection queue issue.

Real Time Sufficiency Tool – Doug Hills, Duke Energy

Doug Hills gave background information on what RTST is and does. There was then discussion about the timeline for the project and the creation of draft business rules.

3. MISO Planning Advisory Committee Issues – Dan Ebert

Dan Ebert presented the biggest issue from the PAC meeting was the interconnection queue. The motion did pass and OMS did support it. There were three other motions and Chairman Ebert asked that those with specific questions please contact Randel Pilo for the details. He did note that all three issues indicated a movement away from the RECB cost sharing process.

4. Resource Adequacy Status – Jan Karlak

Jan Karlak gave an update on RAWG progress on creation of a financial settlement charge/enforcement mechanism to go into Module E. Discussion on this issue followed:

- Module E compliance filing will be filed May 27th. The financial settlement/enforcement mechanism will be filed June 25th. The RAWG plans to continue to meet and consider suggestions as they are made.
- Comments received back from MISO were summarized.
- Jan Karlak pointed out that recent trade press showed using CONE as a financial settlement requires going through the stakeholder approval process for changes and FERC approval. MISO has made changes to the language that would vest the stakeholder approval in the Advisory Committee.
- Mike Proctor presented Missouri's concerns about administratively determined charges. Missouri is asking for something closer to the original Module E language with states able to determine alternative enforcement mechanisms (Missouri proposal follows minutes).
- Paul Centolella presented another way of addressing the question of responsive price demand (The Illinois/Ohio proposal). This group came up with some proposed tariff language and a 4 point summary document which was distributed prior to the meeting and Commissioner Centolella went over those points and answered questions about them (Illinois/Ohio proposal follows minutes).
- Additional discussion followed on both the Missouri & the Illinois/Ohio proposals and how to integrate the appropriate enforcement language into Module E.
- The RAWG is currently taking an administrative approach and will present that to SAWG, barring other direction from the Board. This would allow SAWG to vote on that administrative approach (it would be a straw vote). The deadline would be May 21st.
- Valerie Lemmie suggested a conference call to answer questions about the various state proposals prior to a voting Board meeting. The working call will be May 14th at 9am during the regular RAWG call.
- It was determined that a special Board meeting would be held to vote on which approach to endorse.

5. Comment to FERC on Annual Charges

Comments are due by May 28th. Burl Haar continues to solicit feedback from the group and MISO continues to encourage participation.

6. MISO Governance and OMS Participation

A document will be circulated from the Long Term Development and Governance Work Group for email discussion regarding MISO governance and OMS participation.

ANNOUNCEMENTS

- Board vacancies in Kentucky and, effective May 23rd, Wisconsin. Vice President executive committee position is vacant with the departure of Dan Ebert.
- May 15 – Value Proposition Call for OMS Markets, Modeling Work Group, 1:00 CDT
- May 16 – Work Group Chairs Call, 9:30 CDT
- May 22 – OMS Executive Committee Meeting, 1:00 CDT
- June 12 – OMS Board of Directors Meeting, 1:00 CDT
- June 18 – DOE Regional Workshop on 2009 Congestion Study, 12:00 – 5:00. Watch for details.

ADJOURNMENT

The OMS Board of Directors meeting adjourned at 3:15 pm CDT.

OMS

Organization of MISO States
Report of the Treasurer
Gary Hanson, South Dakota Public Utilities Commission
to the
Board of Directors
May 8, 2008
Report for April 2008

CASH ON HAND

The beginning balance as of April 1 for the Wells Fargo Business Performance Savings Account was \$58,598.93. Interest earned for this month was \$64.40. The April 30, 2008 balance was \$58,663.33.

The beginning balance as of April 1 for the Chase Bank One Checking account was \$134,607.65. The total disbursements from the checking account for April 2008 were \$49,101.59. Deposits, interest and adjustments were \$80,090.00. As of April 30, 2008, the checking account bank balance was \$174,640.59 and the book balance was \$165,596.06 (with 23 checks outstanding).

The total savings and checking account balances as of April 30, 2008 is **\$224,259.39**

OMS Treasurer Report for Month of April 2008

Wells Fargo Business Performance Savings Account

Beginning Balance	58,598.93	
Interest Earned this Month	<u>64.40</u>	
Ending Balance		58,663.33

Chase Bank One Checking Account

Beginning Balance	134,607.65	
Total Disbursements	(49,101.59)	
Deposits/Interest/Adjustments	<u>80,090.00</u>	
Ending Balance		<u>165,596.06</u>

Total Savings & Checking Balances as of April 30, 2008

224,259.39

23 checks outstanding at 04/30/08



TREASURER'S REPORT
Organization of MISO States
April 30, 2008

Wells Fargo Business Performance Savings Account

Balance as of 04/01/08			\$	58,598.93
3/31/08	DEP	Interest on Savings	\$	64.40
				<hr/>
Business Performance Savings Account Balance at 04/30/08			\$	58,663.33

Chase Bank One Commercial Checking with Interest

Balance as of 04/01/08			\$	134,607.65
4/15/2008	DEP	MISO Remittance	\$	40,000.00
4/18/2008	DEP	Microsoft Refund	\$	90.00
4/28/2008	DEP	MISO Remittance	\$	40,000.00
				<hr/>
		Total Deposits	\$	80,090.00

Checks and Charges

Date	Check #	Descriptions		
4/7/2008	2610	Illinois Travel Reimbursement	\$	388.00
4/7/2008	2611	Kentucky Travel Reimbursement	\$	220.36
4/7/2008	2612	Michigan Travel Reimbursement	\$	90.00
4/7/2008	2613	Michigan Travel Reimbursement	\$	191.93
4/7/2008	2614	Wisconsin Travel Reimbursement	\$	863.02
4/7/2008	2615	Kentucky Travel Reimbursement	\$	316.50
4/7/2008	2616	Missouri Travel Reimbursement	\$	286.36
4/7/2008	2617	Illinois Travel Reimbursement	\$	384.12
4/7/2008	2618	Michigan Travel Reimbursement	\$	240.83
4/7/2008	2619	ED Travel Reimbursement	\$	52.04
4/7/2008	2620	IA Travel Reimbursement	\$	336.00
4/16/2008	2621	Michigan Travel Reimbursement	\$	895.25
4/16/2008	2622	Montana Travel Reimbursement	\$	1,150.50
4/16/2008	2623	Wisconsin Travel Reimbursement	\$	332.18
4/16/2008	2624	100 Court Investors, LLC	\$	959.21
4/16/2008	2625	Intercall	\$	3,177.91
4/16/2008	2626	Hartford Ins. Co	\$	45.00
4/16/2008	2627	Triplett Office Essentials	\$	87.88
4/16/2008	2628	PLATTS	\$	2,025.00
4/17/2008	2629	Triplett Office Essentials	\$	32.14
4/17/2008	2630	Combined Systems Technology	\$	6,123.64
4/17/2008	2631	Chase Card Services	\$	3,019.17
4/17/2008	2632	Qwest	\$	241.46
4/17/2008	2633	Infomax Office Systems	\$	172.31
4/17/2008	2634	IA Travel Reimbursement	\$	628.66
4/17/2008	2635	IA Travel Reimbursement	\$	965.16
4/24/2008	2636	DWX Internet	\$	35.00
4/24/2008	2637	Illinois Travel Reimbursement	\$	244.00
4/24/2008	2638	Utility Consumer Counselor Travel Reimburse	\$	443.69
4/24/2008	2639	Michigan Travel Reimbursement	\$	144.95
4/24/2008	2640	Michigan Travel Reimbursement	\$	123.22
4/24/2008	2641	Minnesota Travel Reimbursement	\$	512.00

4/24/2008	2642	Minnesota Travel Reimbursement	\$	10.13
4/24/2008	2643	Office Reimbursement	\$	78.88
4/28/2008	2644	Montana Travel Reimbursement	\$	1,874.98
4/28/2008	2645	Iowa Travel Reimbursement	\$	81.25
4/28/2008	2646	Michigan Travel Reimbursement	\$	167.37
4/28/2008	2647	North Dakota Travel Reimbursement	\$	1,049.50
4/28/2008	2648	Illinois Travel Reimbursement	\$	222.90
4/28/2008	2649	Illinois Travel Reimbursement	\$	166.18
4/28/2008	2650	Iowa Travel Reimbursement	\$	545.36
4/28/2008	2651	Iowa Travel Reimbursement	\$	296.09
4/28/2008	2652	Michigan Travel Reimbursement	\$	436.14
4/28/2008	2653	Montana Travel Reimbursement	\$	1,142.49
4/28/2008	2654	North Dakota Travel Reimbursement	\$	855.70
4/28/2008	2655	Wisconsin Travel Reimbursement	\$	21.00
4/28/2008	2656	Michigan Travel Reimbursement	\$	254.35
4/28/2008	2657	Michigan Travel Reimbursement	\$	132.21
4/28/2008	2658	Missouri Travel Reimbursement	\$	182.97
4/28/2008	2659	Illinois Travel Reimbursement	\$	287.82
4/28/2008	2660	Kentucky Travel Reimbursement	\$	131.30
	W/D	Paychex Invoice	\$	86.35
	W/D	Paychex Payroll	\$	10,604.82
	W/D	Paychex Payroll Taxes	\$	5,746.31

Total Checks and Charges \$ 49,101.59

CHECKING ACCOUNT BALANCE 04/30/08 \$ 165,596.06

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 04/30/08 \$ 224,259.39

CHASE CHECKING ACCOUNT RECONCILIATION

	<u>Check #</u>	<u>Amount</u>
Bank Balance 04/30/08		\$ 174,640.59
Less Checks OS	2468	\$ 74.00
	2623	\$ 332.18
	2638	\$ 443.69
	2639	\$ 144.95
	2640	\$ 123.22
	2643	\$ 78.88
	2644	\$ 1,874.98
	2645	\$ 81.25
	2646	\$ 167.37
	2647	\$ 1,049.50
	2648	\$ 222.90
	2649	\$ 166.18
	2650	\$ 545.36
	2651	\$ 296.09
	2652	\$ 436.14
	2653	\$ 1,142.49
	2654	\$ 855.70
	2655	\$ 21.00
	2656	\$ 254.35
	2657	\$ 132.21
	2658	\$ 182.97
	2659	\$ 287.82
	2660	\$ 131.30
Book Balance 04/30/08		\$ 165,596.06



Organization of MISO States

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OMS Executive Director Report May 12, 2008

FERC and DOE Activity

1. The FERC on April 17 approved incentives for two transmission projects: a 1,000-mile transmission line from Canada to California and the Susquehanna Line, a 130-mile project across northeastern Pennsylvania to northern New Jersey. The Susquehanna Line, Docket No. EL08-23, is a "baseline project" in the PJM 2007 Regional Transmission Expansion Plan. The FERC granted rate incentives including:
 - a 1.25 percent ROE adder
 - a one-half percent adder to each utility's base ROE for continued membership in PJM
 - 100 percent recovery of prudently incurred expenses for CWIP
 - abandonment incentives
 - and authority to transfer incentives to affiliates.
2. On April 17, the FERC today affirmed the main findings in the final rule on market-based rate it enacted last year, Docket No: RM04-7, including
 - the horizontal and vertical market power analysis
 - the use of a balancing authority area or the regional transmission organization market as the default relevant geographic market
 - a regional approach for triennial market power studies
 - and codification of restrictions on affiliate abuse in the regulations.
3. On April 21 the FERC opened an inquiry to determine whether its method of assessing annual regulatory charges from public utilities should be modified. Docket No: AD08-7

4. On April 30, MISO submitted tariff revisions on the continuation of GFAs and modifying Option B and losses of carved-out GFAs. Docket No. ER07-532-001.

OMS-MISO Activity:

1. The OMS Resource Adequacy Work Group and the MISO Supply Adequacy Work Group continued work on a Module E financial settlement element to present to MISO stakeholders during June and to file at the FERC on June 25.
2. MISO's Interconnection Process Task Force advanced its recommendations for improvement of the interconnection queue. On April 10, 2008, the Task Force will consider sending those recommendations to the Advisory Committee and filing at FERC in late May.
3. On April 29-30, the MISO conducted a workshop on the economic fundamentals used in the Joint Combined System Plan. Four design workshops are scheduled during June.
4. Commissioners Goss and Ebert announced resignations from the Kentucky and Wisconsin commissions. OMS is grateful for their leadership within the OMS and the OPSI.

Public Relations

1. Presentations:
 - None
2. Pending speaking/meeting invitations:
 - Commissioner Elliott to address the Demand Response National Town Meeting, Washington, June 2.

Upcoming MISO Filings of Regional Interest

Mid May	ER08-____-000	The Midwest ISO to submit its Amendment of Section 43.7.2 of the EMT to address use of ARR for state and other similar retail choice programs.	N/A
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OMS Executive Director Report

June 18, 2008

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6/01/2008	ER08-___-000	The Midwest ISO Transmission Owners to file a revenue distribution methodology for the Post-Transition Period (the period beginning February 1, 2008) pursuant to Appendix C of the Transmission Owners Agreement.	N/A
6/25/2008	ER08-394-000	The Midwest ISO to submit its Compliance filing regarding revisions to the tariff to revise Module E to address long-term Resource Adequacy Requirements and financial settlement.	122 FERC ¶ 61,283 (2008)
8/1/2008	ER05-6-044, <i>et al.</i> EL04-135-046, <i>et al.</i> EL02-111-064, <i>et al.</i> EL03-212-060, <i>et al.</i>	The Midwest ISO and PJM Interconnection to submit their economic cross-border cost allocation proposals in compliance with the Commission's Order on Cross-Border Facilities Cost Allocation.	122 FERC ¶ 61,084 at P 29 (2008)

Other upcoming dates:

- May 16 – Work Group Chairs
- May 19 – possible OMS Special Board meeting
- May 22 – OMS Executive Committee
- June 12 – OMS Board meeting