BEFORE THE
ILLINOIS COMMERCE COMMISSION

PUBLIC UTILITY BENCH SESSION

Chicago, Illinois
June 6, 2012

Met, pursuant to notice, at 10:30 a.m.

BEFORE:

MR. DOUGLAS P. SCOTT, Chairman (telephonically)

MS. LULA M. FORD, Commissioner

MS. ERIN M. O'CONNELL-DIAZ, Commissioner

MS. ANN McCabe, Commissioner

MR. JOHN T. COLGAN, Commissioner
(via videoconference)

SULLIVAN REPORTING COMPANY, by
Auhdikiam Carney, CSR
License No. 084-004658

We have a quorum.

Chairman Scott is available to participate by telephone today. Per Commission rules, we must vote to allow Chairman Scott to participate by phone.

I will make a motion to allow Chairman Scott to participate by phone.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER FORD: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)
The vote is 4-0 and we will allow Chairman Scott to participate by phone in today's Bench Session.

Before moving into the agenda, according to Section 1700.10 of the Illinois Administrative Code, this is the time we allow the members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's Office at least 24 hours prior to the Commission meeting. According to the Chief Clerk's Office, we have no requests to speak at today's Bench Session.

Turning now to the Public Utilities Agenda, we have minutes to approve from the May 16th Bench Session. I understand amendments have been forwarded.

Is there a motion to amend the minutes?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER FORD: Is there a second?

COMMISSIONER McCABE: Second.

COMMISSIONER FORD: It's been moved and
seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 amending the minutes.

Is there a motion to approve the minutes as amended?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER FORD: Is there a second?

COMMISSIONER McCabe: Second.

COMMISSIONER FORD: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 approving the amended minutes.

We will begin with the Electric section of today's agenda.

Item E-1 is Docket No. 10-0519. This
matter concerns a review of whether Ameren Illinois met the energy efficiency goals for plan year two as set forth in Section 8-103(i) of the Illinois Public Utilities Act. ALJ Haynes recommends entry of an Order finding that Ameren Illinois has complied with their portion of the annual energy efficiency goals.

Is there a motion to enter the Order?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER FORD: Is there a second?

COMMISSIONER McCabe: Second.

COMMISSIONER FORD: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 and the Order is entered. We will use this 5-0 vote for the remainder of the Public Utilities Agenda unless otherwise noted.

Items E-2 through E-7 may be taken together. These are customer complaints regarding
billing and charges filed with this Commission against Commonwealth Edison Company. ALJs Sainsot, Benn, Riley, and Teague recommend dismissing the complaints with prejudice.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered and the complaints are dismissed.

Items E-8 through E-10 may be taken together. These are petitions for confidential treatment for a period of two years for information contained in annual recertification reports. ALJ Yoder recommends entry of Orders dismissing these dockets since the matters are now moot.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered and the dockets are dismissed.
Item E-11 is Docket No. 12-0174. This concerns an application by BlueStar Energy Services seeking confidential treatment of portions of their 2011 Answer Time/Abandoned Call Report. ALJ Yoder recommends entry of an Order granting the requested relief for two years.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Items E-12 through E-17 will be taken together. These are petitions for confidential treatment for a period of two years for information contained in the annual reports. ALJs Yoder VonQualen, Riley, Haynes, and Hilliard recommend entering Orders granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered.
Item E-18 is Docket No. 11-0492. This is a petition by MidAmerican Energy Company seeking an Order from the Commission recommending delineation of the transmission and local distribution facilities. ALJ Baker recommends entry of an Order where the Commission recommends to FERC the revised 2011 delineation proposed by the Company.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item E-19 is Docket No. 12-0276. This item concerns a Joint Petition for approval of residential customer release filed by Corn Belt Energy Corporation and Ameren Illinois Company. ALJ VonQualen recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)
Hearing none, the Order is entered.

Items E-20 through E-25 may be taken together. These matters concern applications seeking authority to operate as an Agent, Broker, or Consultant engaged in assisting end users for electricity and power in the State of Illinois under Section 16-115C of the Public Utilities Act. ALJ Albers recommends granting the requested Certificate of Service Authority.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered.

Moving on to the Gas section of today's agenda.

Item G-1 is Docket No. 11-0559. This matter concerns a joint application filed by Atmos Energy Corporation and Liberty Energy Corporation seeking approval for a proposed reorganization. We will not be voting on this matter today and it will be held for disposition at a future Commission
proceeding, however, I believe there are a couple of
questions regarding that docket.

COMMISSIONER McCabe: The Company made a
submission on May 16th --

COMMISSIONER Ford: Who's the ALJ for this
docket?

Judge Wallace: Judge Yoder.

COMMISSIONER Ford: Judge Yoder, are you
available?

Judge Yoder: Yes.

COMMISSIONER McCabe: I was just curious on the
timing of the Company's May 16th submission regarding
Condition 8 and whether that was concurrent or before
or after the Staff's BOE? And, in addition, whether
that submission helped allay the Staff's concerns?

Judge Yoder: I do not believe Staff remarked
on that. That was after briefs on exceptions --
reply beliefs on exceptions were filed the same date
that Atmos and Midstates filed their docket which
purported to satisfy Condition 8.

COMMISSIONER McCabe: Okay.

Judge Yoder: Staff didn't really have a
concern on that. The parties had both agreed to that condition and therefore Atmos and Midstates -- or I guess in this case, Liberty Energy was filing their documents to indicate they had satisfied Conditional 8 which indicates it has to be satisfied prior to the closing of the reorganization.

COMMISSIONER FORD: Are you pleased with that?

COMMISSIONER McCabe: Yes.

COMMISSIONER FORD: Thank you.

Items G-2 and G-3 will be taken together. These matters concern petitions filed by North Shore Gas Company and Peoples Gas Light and Coke Company seeking approval of their first Rider UEA. ALJ Wallace recommends entry of an Order approving the reconciliations.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered.

Item G-4 is Docket No. 11-0710. This matter concerns proposed contracts between Chicago
Clean Energy Incorporated, Ameren Illinois Company, and the Northern Illinois Gas Company. The proposed contracts are regarding the purchase and sale of substitute natural gas under provisions of Illinois Public Act 97-0096. At issue now is a Petition for Interlocutory Review and approval of an Order on Rehearing. We will hold the Order on Rehearing issue for a future Commission proceeding with regard to Petition for Interlocutory Review.

Is there a motion to deny interlocutory review?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER FORD: Is there a second?

CHAIRMAN SCOTT: Second.

COMMISSIONER FORD: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 and interlocutory review is denied.
COMMISSIONER O'CONNELL-DIAZ: Commissioner Ford, if I just could comment. I just want to state that I agree with the ruling of the -- as I believe the rest of the Commissioners do with regard to the Chief Judge's ruling on this matter.

Back in February we cautioned counsels to follow the rules in this case. I think counsel needs to go back and read the rules. We want to have a situation at the Commission where due process is afforded all parties that bring matters to the Commission. What is before us would frustrate that goal of what our rules have in them with regard to the filing of testimony attached to briefs.

I would also suggest that if this was the Circuit Court, there would be sanctions that would be filed and found by the Circuit Court. So to all parties that come to the Commission, we want to afford everyone due process and that only comes with following of the rules that we have in our administrative procedures. And the finding of the ALJ went through this very carefully and I believe was correct.
So I just wanted to make sure people realize that when they come to the Commission with different -- insufficient and noncompliant filings.

Thank you.

COMMISSIONER FORD: Thank you, Commissioner.

Any other discussion?

(No response.)

Items G-5 through G-8 may be taken together. These matters concern customer complaints as to billing/charges against Just Energy, NICOR Gas Company, and Peoples Gas Company. ALJs Benn and Teague recommend that the complaints be dismissed with prejudice.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered and the complaints are dismissed.

Item G-9 is Docket No. 12-0046. This matters concerns James Engel's complaint as to billing/charges against NICOR Gas Company. ALJ Riley
recommends granting the Company's motion dismissing
the complaint without prejudice.

Is there any discussion?
(No response.)
Any objections?
(No response.)
Hearing none, the Motion to Dismiss is
granted.

Item G-10 is Docket No. 12-0162. This
item is Just Energy's petition to have its annual
report kept confidential for a period of two years.
ALJ Sainsot recommends the Commission enter an Order
granting the requested relief.

Is there any discussion?
(No response.)
Any objections?
(No response.)
Hearing none, the requested relief is
granted.

Moving on to the Telecommunication
section of today's Agenda.

Item T-1 is Docket No. 12-0070. This
item concerns an application by 365 Wireless, LLC for a certificate of local interexchange authority. ALJ Benn recommends granting the applicant the requested authority.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the requested authority is granted.

Item T-2 is Docket No. 11-0788. The matter concerns John Redmond's complaint as to service against Frontier North, Incorporated. ALJ Yoder recommends that the Commission dismiss this proceeding without prejudice for want of prosecution.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the complaint is dismissed.

Item T-3 is Docket No. 12-0073. This
mattered concerns Charter Fiberlink-Illinois' complaint as to services against MCI Communications Services. Both parties have reached an agreement and ALJ VonQualen recommends that the Commission dismiss the compliant as stipulated by the parties.

Item T-4 is Docket No. 12-0108. This matter concerns Joseph Moore's complaint as to services against Consolidated Communication Enterprise Services. The complainant made a Motion to Dismiss their complaint and ALJ VonQualen recommends that the Commission grant that motion.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the complaint is dismissed -- I'm sorry -- is there any discussion on Item T-3, 12-0073?

(No response.)

Any objections?

(No response.)

Hearing none, the complaint is
Item T-5 is Docket No. 12-0264. This matter concerns Commission approval of a petition for a 9-1-1 emergency telephone system plan filed by Alexander County, Illinois. ALJ Haynes recommends that Order be entered approving the plan.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered and the petition is granted.

Item T-6 is the Illinois Commerce Commission's own motion initiating citation proceedings against Pelzer Communication Corporation and revoke their Certificate of Service Authority. Staff recommends an Order initiating the citation proceeding.

Is there any discussion?

(No response.)

Any objections?

(No response.)
Hearing none, the Order is entered.

Item T-7 is the Illinois Commerce Commission's own motion regarding tariff and documentation filing requirements for local exchange carriers. Staff recommends entry of an Order requiring local exchange carriers to file tariffs and documentation in response to Section 13-900.2 of the Public Utilities Act.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item T-8 is Docket No. 11-0624. This matter concerns the Illinois Commerce Commission's proposed amendments to the Secretary of State regarding standards of service and customer credits for electing providers within the Illinois Administrative Code. Petitions to Intervene were filed and granted to AT&T and the Cable Television and Communications Association. Comments were filed on the first notice rules and now CTCA seeks to have
oral argument.

ALJ Haynes recommends an Order denying oral argument and authorizing a second notice period along with submission of the proposed amendments to the Joint Committee on Administrative Rules.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item T-9 is Docket No. 11-0625. This is the Illinois Commerce Commission's proposed amendments to the Illinois Administrative Code regarding tariff filing. The first notice period has expired and ALJ Teague recommends entry of an Order authorizing a second notice period.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

JUDGE DOLAN: Commissioner, don't you have to
vote on oral arguments on T-8?

COMMISSIONER FORD: Which one?

JUDGE DOLAN: There was an oral argument request on T-8, so you have to vote.

COMMISSIONER FORD: Okay.

Is there a motion to deny oral argument?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER FORD: Is there a second?

COMMISSIONER McCabe: Second.

COMMISSIONER FORD: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 and oral argument is denied.

Item T-10 is Docket 12-0175. This matter concerns Frontier North's Motion to Withdraw its tariff filing. ALJ Yoder recommends an Order dismissing the docket without prejudice and directing
that the tariffs filed January 19th, 2012, be withdrawn and canceled.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the docket is dismissed without prejudice and the tariffs are withdrawn and canceled.

Item T-11 is Docket No. 12-0242. This matter concerns an Amendatory Order to Illinois Telecommunication Access Corporation's previously approved request to decrease an annual line charge. The Amendatory Order corrects an incorrect year on Page 6. ALJ Riley recommends that the Commission enter an Amendatory Order.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Amendatory Order is entered.
Item T-12 through T-16 may be taken together. Petitioners seek Orders protecting their 2011 annual reports from public disclosure for a period of two years under Section 7C of the Illinois Freedom of Information Act and Section 5-109 of the Public Utilities Act. ALJs Benn and Yoder recommend that the Orders be entered granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered and the relief is granted.

Items T-17 and 18 may be taken together. These matters concern the Global Capacity Group and Global Capacity Direct's Petition to voluntarily cancel previously granted certificates of interexchange authority. ALJ Baker recommends entering an Amendatory Order canceling the certificates.

Is there any discussion?
Any objections?
(No response.)

Hearing none, the Orders are entered and the certificates are canceled.

Item T-19 is Docket 11-0225. This item concerns an Amendatory Order to a previous Commission Order revoking a Certificate of Service Authority previously issued to Brian Esterman doing business as Metrotel Communications. The Amendatory Order corrects the Scrivener's error to a cited docket number. ALJ Baker recommends that the Commission enter an Amendatory Order.

Is there any discussion?
(No response.)

Any objections?
(No response.)

Hearing none, the Amendatory Order is entered.

Turning now to Water and Sewer.

Item W-1 is Bahl Water Corporation's filing to implement increased water rates pursuant to
the simplified rate case procedure. It is Staff's recommendation that the filing not be suspended.

Do I have a motion?

COMMISSIONER McCabe: So moved.

COMMISSIONER Ford: Is there a second?

COMMISSIONER O'Connell-Diaz: Second.

COMMISSIONER Ford: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The motion carries and we will not suspend the filing.

We have two miscellaneous items of business on today's agenda. First we have Item M-1, which is the Illinois Commerce Commission's motion to adopt amendments to Commission rules. These amendments will provide the public comments containing links to other Web sites would not be accepted for posting on the Commission Web site. Staff recommends an Order adopting these amendments.
Is there any discussion?
(No response.)

Any objections?
(No response.)

Hearing none, the Amendatory Order is entered.

Where is Heather?

Item M-2 is the Illinois Commerce Commission's own motion to designate Heather Jorgenson as an Administrative Law Judge. I am honored to see that Heather has moved on. As most of you know, Heather was my legal assistant for the last four and a half years and she has certainly been an excellent worker.

Glen and Mike, I certainly hope that you will work her well. She will be an asset to you and I certainly hate losing you, Heather. I wish you well on the dark side.

JUDGE WALLACE: We've started to load her up on cases already.

COMMISSIONER FORD: Work her.

COMMISSIONER O'CONNELL-DIAZ: We're going to
miss Heather on our side, but it's good to know that
she will be right across the hallway and we'll also
get to see her at Bench Sessions when we have
probative questions to ask about the Orders that she
presents to the Commission.

I've had the pleasure of working with
Heather on numerous matters and projects and
different things, so I have no doubt that she will
succeed on that dark side, having come from the dark
side. So I wish you well and congratulations and I
feel you will continue to be a great asset to the
Commission.

MS. JORGENSEN: Thank you.

COMMISSIONER COLGAN: I would just like to say
congratulations to Heather. Heather has been with
you, Commissioner, through my entire tenure here at
the Commission. I know she's done you a good job and
I know you're going to miss her. We're all going to
miss her in that capacity, but I think you're moving
on to a promising future and I wish you the very
best.

MS. JORGENSEN: Thank you.
CHAIRMAN SCOTT: I just want to say I'm grateful she's staying with the Commission and the folks in Illinois are still going to get the benefit of her great talents. So, Heather, thank you very much and congratulations to you and I look forward to seeing you soon.

MS. JORGENSEN: Thank you.

COMMISSIONER FORD: Staff recommends an Order adopting a resolution designating Heather Jorgenson as an ALJ. Is there any discussion?

COMMISSIONER O'CONNELL-DIAZ: We might have to have rehearing on this.

COMMISSIONER FORD: All right.

Any objections?

(No response.)

Hearing none, the resolution is adopted and congratulations to Heather Jorgenson for becoming an Administrative Law Judge.

Our last item is a discussion of initiatives by the Organization of MISO States initiatives.
Commissioner Colgan, you were going to lead this?

COMMISSIONER COLGAN: Yes. Thank you, Commissioner Ford.

I had my assistant, Linda Wagner, circulate some documents to everybody yesterday pertaining to this issue. As you're all aware that I recently went on the Board of the Organization of MISO States and there's going to be a June 13th meeting that will be subsequent to the MARC meeting in Des Moines, Iowa. Commissioner Robert Kenny, who chairs the MISO on the Illinois Mass Board, has asked Board members to show up at that Board meeting prepared to make decisions on certain issues without needing further discussions or deliberations with their own state commissions.

The scope of those issues, just in very general terms, focus on the Entergy Operating Company's joining MISO and the resulting potential for the Entergy Regional State Committee, which is the equivalent of OMS and the Entergy footprint and their jointing of OMS. The ERSC has authority
relative to transmission planning and cost allocation
determinations that OMS does not currently have and
the most prominent issues and concerns that are going
to come up at the June 13th meeting concern the
nature and extent of enhanced authority that OMS
should request from MISO consistent to some extent
with the authority that the ERSC already has.

So OMS is on the cusp of making some
important decisions in the very near future and I
want to be prepared to respond to President Kenny's
questions with the ICC's position on this issue. And
I've asked our federal staff director, Randy
Rismiller, to outline these issues for us in a little
more detail. And following his comments, I look
forward to your feedback.

Randy.

MR. RIS MILLER: Good morning, Commissioners.

I'll try to be quick here.

This Entergy deal is a bit like a soap
opera with lots of characters with lots of unusual
motivations. And I only bring it up because as
Commissioner Colgan mentioned, you kind of need to
know the context to be able to give good advice on
the questions that are currently going to be facing
Commissioner Colgan at the meeting in Des Moines next
week.

We sent around a little facts sheet
with a little map of Entergy in relationship to MISO
and the other regions of the country. What you get
out of that when you look at that, you will see that
Entergy operates utility operating companies in
Arkansas, Louisiana, Mississippi, Texas, and the City
of New Orleans -- and we'll get to New Orleans in a
little bit.

You'll see that Entergy interconnects
with the MISO region through one particular
interconnection and that's in the boot heel of
Missouri, which is Ameren service territory. You
will also notice SPP is next door to Entergy. That's
important for the developments here.

So Entergy has asked to join MISO and
they need their authorization from all their state
regulators including the City of New Orleans City
Council in Order to get approval to join MISO. And
the reason they need to do something -- Entergy needs
to do something with respect to transmission and
capacity planning. They have a system agreement
between all the Entergy operating companies and
they've had it for 30 or 40 or 50 years to share
capacity building. That system agreement is expiring
and it's not going to be renewed primarily because
the Arkansas Commission doesn't want it to be
renewed. Entergy also has a current contractual
arrangement with SPP to sort of oversee certain
elements of its transmission planning and
transmission operations. That contract is expiring.
So Entergy needs to make a move here. And the two
options on the table for Entergy is join MISO or join
SPP. Those are really the two most viable options on
the table for Entergy Company.

Now, the Entergy state regulators have
a regional state committee currently, it's analogous
to the organization of MISO States or to OPSI with
respect to MISO, PJM respectively. Similarly, the
SPP states have a regional state committee known as
the SPP Regional State Committee. As Commissioner
Colgan indicated, those two regional state committees have authorities with respect to their various RTOs or regions that is greater than -- more strong than the authority that OMS has with respect to MISO. And this is important because it's affecting the Entergy State Regulatory Commission's decisions about whether or not Entergy should join MISO because the state commissions down there don't want to lose any authority that they currently have over Entergy or any authority that they would have if Entergy were to join SPP rather than MISO.

And so OMS is now exploring, for that reason and a number of other ones, whether or not it should seek additional authorities, kind of in line with the authorities that either the SPP Regional State Committee has or this Entergy Regional State Committee has.

The other initiating factor that's causing OMS to look at this issue, among other things, is in Order 1000 FERC is strongly encouraging state regulators to step up to the plate and perform a more active and increased role in the transmission
planning expansion process. And in Order 1000, FERC specifically cited the role of the Entergy Regional State Committee in this regard as model. So these sort of background things lay the groundwork for why OMS is considering these changes right now.

The primary areas were OMS is looking at for enhanced -- potentially enhanced authority fall in these categories of transmission expansion planning, transmission cost allocation, and so-called resource adequacy, which is the issue of having sufficient generating capacity or demand resources to meet forecasted future loads. These are traditionally kind of areas and issue over which state commissions have had a lot of authority. Some of which has gravitated to FERC as industry restructuring has gone forward in the last ten years. But these are traditionally state areas of considerable responsibility. That's the reason they are on the table here.

There was a working group put together by OMS and the Entergy Regional State Committee to kind of look at what would enhanced authority might
look like. What would be the legal requirements for it? Who would we have to get direction and authorization from to pursue increased OMS authority.

And so that group did a lot of work. I happened to be a member of that group on behalf of OMS.

The group issued what we call a draft scope document and that was approved for issuance by the OMS early in May. And we asked a bunch of questions primarily to MISO and the MISO transmission owners about these issues and we invited anybody else who wanted to kick in some ideas or thoughts to go ahead and do that. We got a whole bunch of comments back, most important of which I think are from MISO and the MISO transmission owners.

Just a brief summary, MISO was not effusive in their support of this idea for increased authority. They did support the idea of putting another regulator, principally from the Entergy states, on the MISO Advisory Committee, which is MISO Senior Committee. They did support an increased relationship between the OMS Board of Directors and the MISO Board of Directors, but fell short of the
kind of joint meetings and joint actions that the Staff working group had in mind.

They offered to share their Section 205 filing rights, which is a critically important issue; but only in limited regards and in limited issues and on a five-year delayed basis. I'll get back to this 205 filing rights issue. The MISO transmission owners own the other hand weren't supportive of anything in this area and sort of questioned why OMS was going down this path in the first place. So we didn't get any real support there. The comments from other parties were sort of a mixed bag.

So this 205 filing rights thing, utilities under Section 205 of the Federal Power Act need to make filings with FERC pertaining to rates, terms and conditions, or anything affecting rates, terms, and conditions. Utilities include in this case all of the transmission utilities plus MISO. MISO is also a utility. And MISO and MISO transmission owners have figured out a way to share responsibility for various aspects of tariffs and
rates. What OMS is potentially looking for here is for authority from MISO and the MISO transmission owners to be able to direct MISO either in addition to or instead of a Section 205 filing that MISO would make to make the filing that OMS wants them to make.

Now, Entergy Regional State Committee has this and SPP Regional State Committee has this. So that's why OMS is considering pursuing this authority. It's a really big deal and would be a really big step in responsibility for OMS.

The other thing OMS is looking for is how to improve and enhance the state regulators' role in the planning process. Currently the state regulators put one person, one commissioner on what's called a Planning Advisory Committee at MISO. We also have staff work that we work with the MISO Committees at the staff level, but it's all advisory. And the state regulators advisory -- the weight of that advice is officially on the books no greater than the weight of anybody else's advice. So that's an area which OMS is pursuing ways of enhancing that role.
Cost allocation, I think that would fall primarily under the 205 filing rights directive authority. I think one of the main things OMS would like to be able to direct MISO on is filings with respect to transmission cost allocation. The other thing is filings with respect to the Resource Adequacy Policy.

So I think that sort of tees up the background why we're at this stage. Some of the issues on which OMS is seeking enhanced authority, Commissioner Colgan said this is going to come up at the OMS Board Meeting in Des Moines on June 13th and there's going to be some decisions made and so that's why we're coming here now. I'll turn it back to you, Commission Colgan.

COMMISSIONER COLGAN: Thank you, Randy.

So I'm going to show up at this Board meeting and Chairman Kenny wants us to be prepared to vote. I think in general our position would be that we would look for the best opportunity for enhanced authority. I think there are other state Commissioners in the OMS footprint who have a
different take on that. I'd just like to just open it up to see if anybody has any questions or comments that you would like to ask either me or Randy.

COMMISSIONER McCabe: Randy and Commissioner Colgan, the transmission owners aren't that positive. Is that because they're happy with the way things are currently?

COMMISSIONER Colgan: Yeah. They currently have the authority and there is some dispute really as to whether or not -- how much authority MISO, even if they wanted to, could give OMS.

Isn't that the case, Randy?

Mr. Rismiller: Yes. This authority is shared between transmission owners and MISO. MISO really wants Entergy in MISO. If you look at the map, the reason for that is that MISO lost all of the Ohio companies to PJM recently. They really need to find some transmission owners in strategically located positions to shore up their membership otherwise they sort of become questionable as a continuing viable entity. So they really need new members and Entergy is a key new member that they need and Entergy is
big. So MISO's life in some way depends on this going forward.

For the transmission owners, that's not as clear. I haven't heard them as a group really come out and say, Hey, we really like this idea of Entergy being in MISO or, We really hate it. They've sort of been neutral about this. And so that's the reason they're not really enthusiastic about giving up their authority in the first place because they're not a hundred percent convinced, as I can tell, that this whole Entergy deal would be good for them.

COMMISSIONER FORD: My concern, Randy, was with the State of Arkansas and their reluctance about Entergy. So that would be questionable -- the fact that they were giving them some of their power if Entergy were to go to MISO.

COMMISSIONER COLGAN: Commissioner Honorable has been no doubt saying that if these same rights aren't transferred as they would join OMS, that she would in know way be supportive of the merger of OMS with ERSC. And I think in general ERSC is unanimous in that regard that of course they have this
authority and they don't want to give that authority up. But some of the Commissioners there, including Commissioner Honorable, have been very outspoken on that issue.

COMMISSIONER FORD: I'm sure.

MR. RISMILLER: Each of the state commissions down there have authority over their utility operating company, either allow this or not allow it. As I said, including the City of New Orleans which has jurisdiction over the utility operating New Orleans. So all the regulators will have their say.

CHAIRMAN SCOTT: Louisiana already approved it, didn't they?

MR. RISMILLER: I believe Louisiana tentatively approved it subject to a demonstration of a whole host of conditions, one of which was OMS -- as I understood it, OMS having authority analogous to that which ERSC now has.

CHAIRMAN SCOTT: Randy, have we seen any kind of reaction -- I saw that in the trade publications, too. Has there been any kind of reaction to that conditioned approval.
COMMISSIONER COLGAN: Not that I've seen.

MR. RISMILLER: I'm not aware of any.

CHAIRMAN SCOTT: It's a little early yet, I think. It just happened.

COMMISSIONER COLGAN: So I think it's a case where MISO wants Entergy, but to bring Entergy, all the state commissions need to approve it and the state commissions have their individual people on this Regional State Committee and the Regional State Committee is saying, We don't want this to happen if we're going to lose our authority on this cost allocation, transmission planning and 205 rights.

So I think, Randy, I think in general our position would be that we want to have the -- we want the most opportune position so that we would get the enhanced authority.

MR. RISMILLER: Yeah. My thought on this is that, quite frankly, I would like to -- if I had my druthers -- see FERC take a stronger role over some of these transmission planning issues and to be more active in reviewing and assessing the transmission plans that come out of the RTO planning process.
The RTOs are supposed to be independent and supposed to produce an objective independent plan, but we all know that they're influenced by certain factors and they are obvious what they are. But, nevertheless, FERC is not really stepping up to some of the roles that I think a federal regulator ought to play in this regard. And given that, someone needs to step into the vacuum. And I think OMS and the regional regulators, state commissioners in the MISO region, are the logical entity to step up into this vacuum and to ensure that what comes out of these regional stakeholder processes at the MISO make sense for consumers involved going forward into the future. Because these are big expensive decisions with 40 or 50-year impacts and they merit some serious engagement by regulators. So, yes, that's the long way of saying, Yes, I agree with you.

COMMISSIONER O'CONNELL-DIAZ: Randy, with regard to the FERC Order 1000 where we're supposed to talk to our neighbors and do all this good stuff, and following up on your comment about FERC really taking
the bit in their teeth and acting as the federal regulator for these issues that are spread across many regions, by them not doing that and then also suggesting in their Order that that's what we should be doing, do we end up again with this kind of patchwork problem that we see and deal with on a regular basis? And how do we -- how do we get to FERC and tell them that we need to -- I don't want to say for them to do their job, but to do there job and so that we have a much more of a uniform way of dealing with these issues and we don't end up spending all this time fighting about things and not having clear cut answers. It just seems like this goes on and on and on.

MR. RISMILLER: As much as I would like to gang up on FERC, I'll take their side a little bit here. They're sort of between a rock and a hard place because there are a lot of parties and a lot of state commissions who would prefer to have the patchwork, as you put it, that we have experienced and are continuing to experience.

And so FERC was trying to balance
those interests who have a stake in retaining the
existing status quo and those such as you expressed
who would like to see a more uniformed approach to
some of these things. And so they sort of had to
walk a tightrope and what they've done essentially is
to plead with the state regulators and the various
commissions to step into this void and at least have
regional consistency. And they've also required that
there be these interregional processes that you
indicated which each of there neighbors.

So I suspect each regional group of
state commissions will have some interaction with
their neighboring group of state commissions to try
to sew those things back together again.

COMMISSIONER FORD: John.

COMMISSIONER COLGAN: So that's what's before
us and I'm just going to assume that you would all
agree with the positions that we've discussed and
outlined here and I'll do my best to represent our
best interest in that meeting and see how far we can
go with this. I think there is an opportunity there
for us to try and get some enhanced authority per the
OMS. I'm not sure what we can get because the OMS is kind of a mixed bag in terms of what some of the state commissioners think we should or should not be doing. Some seem to think we should just leave well enough alone and move forward with where we are now. We're pretty much on the other side of that. Of course, most of the other states in the MISO territory are integrated utilities and they have different priorities and processes that they're involved in and have to take care of.

So anyway are there any other questions that anybody wants to ask, if not, that would conclude our discussion on this?

COMMISSIONER FORD: Thank you, Commissioner Colgan.

COMMISSIONER COLGAN: You're welcome.

COMMISSIONER FORD: Judge Wallace, are there any other matters for us today?

JUDGE WALLACE: No. That's all, Commissioner Ford.

COMMISSIONER FORD: We will reconvene at 1:30 for the Electric Policy Meeting. And since there is
no other business, this meeting is adjourned.

(And those were all the proceedings had.)