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Welcome to the second edition of The Org Report, a monthly e-newsletter that summarizes and shares information about SPP’s organizational group activities. We hope The Org Report will give you a better understanding of how SPP organizational groups impact and inform each other.

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Regional State Committee Meets, Hosts Technical Conference

The CAWG reported to the RSC on: a white paper suggesting improvements to Attachment Z of the SPP Tariff, their review of a Base Plan Waiver request for a Westar transmission project (approved by the RSC), and progress in the development of alternative approaches to economic upgrade funding.

The RSC approved a RTWG-recommended change to the inter-zonal cost allocation process. Finally, Commissioner Hochstetter presented the results of the 2005 RSC Independent Audit.

MOPC Prepares for Market Launch
Prior to the successful EIS Market launch on February 1, the MOPC met to discuss final Tariff language and other issues for Market implementation. The group approved Violation Relaxation Limits (VRL) subject to review three months after market start. They also approved 12 PRRs, and Tariff changes associated with four PRRs.

Members approved the RTWG’s recommendations on Inter-Zonal Cost Allocation Task Force Unintended Consequences (with one edit). Also approved were seven of eight agreement points from the Base Plan Guidelines Task Force related to Transmission Operating Directives and Base Plan Upgrades.
Finally, the group approved the UFLS report and revision of Criteria 7.1 to satisfy new NERC standards.

The Month in Review

**Board of Directors, January 30:** The Board approved the 2006-2016 Transmission Expansion Plan, which identifies $1.4 billion of transmission projects through 2016.

The Board approved revision to SPP Criteria 7.1 to include a listing of technical requirements for Dynamic Disturbance Recorders as now required by NERC. Members passed a Strategic Planning Committee recommendation to change the funding basis for the Regional Entity budget from Balancing Authority to Load-Serving-Entity. Finally, several Tariff changes as proposed by the RTWG and MOPC were approved.

**Cost Allocation Working Group, January 3:** The CAWG discussed alternative approaches to economic upgrades as currently described in the Tariff. The group also discussed the insufficient competitive resources waiver factor in accordance with attachment J III C.2 of the tariff.

**Critical Infrastructure Protection Working Group, January 4:** The CIPWG reviewed highlights from NERC’s CIP Committee meeting and updates from the Department of Homeland Security. The group discussed FERC’s assessment of Cyber Security (CIP) standards, CIP training, and internet post-incident response.

**Corporate Governance Committee, January 12:** The Corporate Governance committee elected Stuart Solomon (AEP) and Rob Janssen (Redbud) to fill vacancies on the Members Committee effective immediately. The vacancies were the result of the resignations of Nick Akins (AEP) and Jim Stanton (Calpine) due to changes in responsibilities at their respective companies.

**Finance Committee, January 30:** The Finance Committee approved a financing strategy for 2007 that includes approximately $30 million in new-term financing and $20 million in revolving credit facility. The group approved changes to the credit policy and Tariff to allow the suspension of unsecured credit limits if a customer has two late payments during a 12 month period. The committee also reduced the cure period for transmission service from 10 days to 3 days.

**Human Resources Committee, January 23:** The committee discussed 2006 SPP employee performance compensation. The group also discussed conducting a compensation survey in 2007. Members approved the addition of a Roth 401(k) in addition to SPP’s existing 401(k) plan.

**Operations Training Working Group, January 8:** The OTWG finalized their first quarterly newsletter and revised the Spring 2007 System Operations Conference agenda. The group scheduled a train-the-trainer workshop at SPP on "Decision Making Exercises."

**Regional Tariff Working Group, January 4:** The RTWG approved Tariff language associated with four PRRs and modifications to Tariff Section 34.1. The group completed a recommendation to MOPC to modify the Tariff related to cost allocation of transmission upgrades. Proposed changes to Tariff Attachments J and S were approved.

**Strategic Planning Committee, January 18:** The SPC recommended modifying the NERC/SPP Delegation Agreement to change allocation of ERO and RE costs from Balancing Authorities to Load Serving Entities. The committee developed an action plan to
prioritize organizational effectiveness responsibilities. Members also prioritized Strategic Plan components and reviewed the NERC/RE Transition Timeline.

**System Protection and Control Working Group, January 3-4:** Lynn Schroeder was selected as the new Chair of the SPCWG. Shawn Jacobs was approved as the new Vice-Chair.

The SPCWG accepted the final UFLS report and sent the revised DME Criteria 7.1 to MOPC for approval. One action item is for SPP to maintain a database for protection system misoperations reported in the SPP region. Other action items were to continue reviewing NERC regional standards, develop regional reliability Standards that address three “fill-in-the-blank” NERC standards, and post Criteria 7 reporting forms on the SPP website.

This is a summary of SPP organizational group meetings that occurred in January, 2007. For complete minutes of a particular group meeting, please visit www.spp.org and select that committee on the Committees and Groups page. Click on the “documents” folder in the left panel to view meeting minutes.

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