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Formula Rate Task Force and RTWG Discuss Rate Template

At the Regional Tariff Working Group meeting, the Formula Rate Task Force reported there was no consensus on a set of formula rate template protocols. Legal review of the draft protocols by transmission owners raised a concern that their lawful prerogatives related to access charge pricing would be compromised by adoption of the protocols. Concern was also expressed that a single template used by all transmission owners that adopt a formula rate would improperly constrain transmission-owner prerogatives.

The Task Force proposed that the RTWG stop work on the template and develop SPP OATT terms and conditions for all transmission owners. The intent of the terms and conditions is to overlay multiple formula rates with a set of common criteria that lessens the burden on customers and the administrative effort necessary to manage annual update calculations. The RTWG concurred with the recommendation of the Task Force and instructed it to develop a charter reflecting its new scope.

Strategic Planning Committee’s Annual Retreat

The Strategic Planning Committee reviewed the status of the SPP 2006 Strategic Plan, the Organizational Effectiveness action plan, and preliminary organizational metrics. They discussed the status of SPP’s future market design and tasked the Market Working Group with providing an initial high-level outline to the SPC in July. A final, comprehensive plan will be presented to the SPC in October for recommendation to the Board of Directors.

The SPC held a lengthy discussion of demand response initiatives and proposed developing a long-term action plan through the Center of Excellence. The demand response action plan might include surveying members about their demand response efforts, educating various audiences about its potential benefits, analyzing what SPP can do at the wholesale level, and what disconnects exist between demand response at the wholesale and retail levels.

NERC/NAESB Update

FERC postponed the official start date for mandatory compliance to reliability standards for the bulk power system from June 4 to June 18. NERC, SPP, and the other Regional Entities have not changed their timetables, except for an extension of time for self-reporting of violations to avoid financial sanctions.

The REs and NERC are ready to implement the Compliance Monitoring and Enforcement Program and the Regional Standards Development Procedures. Visit the new RE webpages on SPP.org to learn more. There is a special meeting of Members on June 21 to approve changes to SPP’s Bylaws and elect three Regional Entity Trustees to provide independent oversight over RE activities.

NAESB is developing business practices for ATC and TTC, as requested by FERC Order No. 890. NAESB is working toward approval of the new business practices by the end of 2007. They are also charged with developing FERC “E-tariff” standards, which will establish a set of communications protocols for transmission providers to file their tariffs in electronic format. These business practices are expected to be completed and approved by the third quarter of 2007.

For the first time, SPP and the other ISOs/RTOs in North America will play a direct role in the development and approval of these business practices. Beginning June 28, seven ISOs/RTOs will have voting seats on the NAESB Board in the Wholesale Electric Quadrant under the newly formed segment for Independent Grid Operators and Planners.
The Month In Review

**Business Practices Working Group, 5/16:** The BPWG established criteria for a task force to review the aggregate study process and suggested sending the criteria to MOPC. Changes were approved to BP 2.11 based on pending tariff language updates regarding non-firm network usage. Changes to BP 1.11 regarding DC ties were also approved. The group approved the use of only the schedules component of AFC calculations in the operating horizon. SPP staff will draft a business practice for the redispatch process and coordinate a new process for pancaking transmission service.

**Cost Allocation Working Group, 5/23:** The CAWG discussed funding for economic upgrades, planning guidelines, and cost allocation. The group continued discussion on the economic portfolio method and allowing credit payments using Base Plan funding.

**Market Working Group, 5/1-3, 5/18:** In their regular meeting, the MWG reviewed PRR137 on external generators and PRRs 080, 010, and 101 on impact analysis. The group continued their discussion of future market design. The market monitors presented their State of the Market Report for 2006.

**Operations Training Working Group, 5/14:** The OTWG approved content for the September System Operations Conference and continued discussions on NERC Training Standards and the Job Task Analysis Task Force. The group decided to survey OTWG members regarding the usage of the Quality Training Systems Database, and to explore license arrangements for the DTS with AREVA.

**Regional State Committee, 5/9:** The RSC heard a report from the Wind Coalition, Perspectives on Cost Allocation and Transmission Service. They also discussed enhanced regional planning progress and benefit/cost assumptions, which are both continuations of the strategic initiative for the recovery of economic upgrade costs.

**Regional Tariff Working Group, 5/17-18, 5/24:** In addition to the Formula Rate Task Force discussion, the RTWG continued work on tariff modifications related to the aggregate study and cost allocation processes. The working group gave extended consideration to OATT modifications to be completed in response to FERC Order 890 on OATT reform.

**System Protection & Control Working Group, 5/9:** The SPCWG unanimously approved the AEP Oklaunion Special Protection System for five years. Also discussed were NERC UFLS standard updates and the Finney-Lamar Direct Transfer Trip Scheme.

**Transmission Working Group, 5/2-3:** The group discussed and approved the 2007 revised TWG work schedule, OG&E Colbert 138kV Interconnection Study, the 2007 Summer Transmission Assessment, and new TRM values for existing flowgates. SPP staff was asked to follow-up on concerns about flowgates being allowed to go over their market limit, and possible changes to the ATC process. SPP Tariff Attachment O comments will be forwarded to the RTWG for further consideration.

This is a summary of recent SPP organizational group meetings. For complete minutes of a particular group meeting, please visit [www.spp.org](http://www.spp.org) and select that committee on the Org Groups page. Meeting minutes are located in the left column.

Please contact Laura Norris in the Communications Department with questions or comments about The Org Report.

[SPP Calendar](http://www.spp.org)