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Annual Meeting of Members

At the annual meeting of Members, the Corporate Governance Committee submitted nominees to fill the positions with terms expiring at the end of the year. Nominees for the Board of Directors were Phyllis Bernard and Quentin Jackson, and Members Committee nominees were Kelly Harrison, Stuart Solomon, Gary Voight, Jeff Knottek, and Rob Janssen. Representatives on the Board of Directors and the Members Committee serve three-year terms, and the Membership votes on these nominees. All nominees were re-elected to their posts.

Other business discussed at the October Board meeting included the 2007 overview and 2008 outlook. The EIS Market launch, Maumelle Operations Center opening, and the SPP Regional Entity implementation were major milestones for 2007. Internal improvements included additional staff and the implementation of a new SPP business model. In the coming year, SPP will continue implementing the Strategic Plan, including transmission expansion/tracking and Balancing Authority consolidation.

NERC/NAESB Update

In October, NERC submitted a compliance filing to FERC for the Electric Reliability Organization (ERO) and the Regional Entities (REs). One of the changes to the Compliance Monitoring and Enforcement Program includes a standardized regional entity hearing procedure for the Eastern Interconnection REs. For the Southwest Power Pool Regional Entity (SPP RE), clarifications were made to its Delegation Agreement to ensure separation of functions and independence from the SPP Regional Transmission Organization.

An interim budget approval for the ERO and the REs authorized NERC to collect for SPP $4.6 million in 2008 from SPP-area Load Serving Entities (LSEs). 2008 first quarter fees include a load ratio share of the NERC budget, in addition to the SPP RE Budget.

The North American Energy Standards Board (NAESB) continues its progress in developing business practices to provide increased market transparency for transmission service. Standards should be ready to be filed for FERC approval in March 2008. NAESB standards approved by FERC are mandatory for all FERC jurisdictional transmission owners.

The Month In Review

Business Practices Working Group, 10/15-16: Changes and clarifications were approved to Business Practices 1.11 and 2.12, and were sent to the Regional Tariff Working Group and the Operating Reliability Working Group for review. The group discussed temporary termination of designated network resource, redefinition of renewals terms, and service allocation.

Board of Directors/Members Committee, 10/1, 10/31: The Board of Directors/Members Committee discussed items required for compliance filings for the Regional Entity and Order 890. At their regularly quarterly meeting, the Board approved the Consent Agenda, which included several criteria changes and established the Change Working Group under the Market and Operations Policy Committee. The Board also approved the 2008 budget and a 19-cent administrative fee.

Cost Allocation Working Group, 10/11, 10/24: The CAWG heard updates on the model benchmark effort, the SPP Transmission Expansion Plan to EHV Overlay transition plan, and the Empire District waiver request. The group also discussed alternative cost allocations for unbalanced portfolios and a reconsideration of cost allocation for renewables.
Critical Infrastructure Protection Working Group, 10/2: At their quarterly meeting, the CIPWG met jointly with ERCOT’s Critical Infrastructure Protection Advisory Group and Department of Homeland Security’s Protective Security Advisors to discuss the mitigation status of the Electricity Sector Information Sharing and Analysis Center (ES-ISA) advisory issued in June. The group also discussed CIP standard requirements for physical and electronic security perimeters, and the FERC Notice of Proposed Rulemaking (NOPR) regarding the NERC CIP cyber security standards.

Finance Committee, 10/1: The Finance Committee approved the 2008 operating and capital budget, and established the assessment rate and Tariff Schedule One rate of 19 cents, effective January 1, 2008.

Human Resources Committee, 10/16: The group discussed the 401 (k) plan amendment, which includes the auto enrollment safe harbor provision. They also approved the matching contribution schedule and eliminated the vesting provision, meaning matching contributions are immediately vested to the participant. These changes will take effect January 1, 2008.

Market and Operations Policy Committee, 10/16-17: Consent Agenda items revised were System Protection & Control Working Group criteria 7.4.7, Operating Reliability Working Group criteria 12.3, and Generation Working Group 12.5.2. PRRs 041b, 138, and 169 were all approved, along with the Market Working Group’s DSL Circuit request and the Regional Tariff Working Group’s credit policy Tariff and Attachment H changes. The MOPC endorsed and approved the Transmission Projects of Spearville-Comanche Co-Wichita and Spearville-Knoll-Axtell as technically viable economic upgrades.

Market Working Group, 10/1,10/3,10/8,10/26: PRRs 166, 67, 171, and 172 were approved. The MWG also discussed future market reviews and the FERC rejection of external generation.

Operating Reliability Working Group, 10/8, 10/22: During special meetings, the ORWG reviewed the second draft of the NERC reliability-based control Standard Authorization Request (SAR). Also discussed were the defining criteria for assigning Violation Severity Levels (VSL), and replacing the “Levels of Non-compliance” with VSLs. FERC directed NERC to replace “Levels of Non-compliance” with “VSL” by March 2008. Consensus comments were provided to NERC on these documents.

Operations Training Working Group, 10/15: Mark MacDonald (CLECO) and Ron Green (AEP) were recommended as voting members of the OTWG. The group heard updates regarding the 2008 Operator Training calendar.

Oversight Committee, 10/1: The Oversight Committee heard quarterly activity reports from Compliance, Market Monitoring, and the External Market advisor, as well as internal compliance efforts. The group discussed the direction for the External Market advisor for 2008.

Regional State Committee, 10/29: The RSC adopted its 2008-2009 budget, re-elected Julie Parsley as president, and elected David King as vice president and Mike Moffett as secretary/treasurer. The RSC heard updates from the Cost Allocation Working Group and the Transmission Owners and Construction Task Force. Also discussed were SPP organizational metrics, future market development, the 2007 Transmission Expansion Plan, and EHV Overlay Study progress.

Regional Tariff Working Group, 10/9, 10/25: Tariff Attachment H was approved during the October 9 teleconference. At the monthly meeting, the RTWG reviewed the Tax Gross-Up Task Force final report, and discussed the Transmission Working Group draft charter. The group also heard updates on current PRRs, and reviewed the Tariff Attachment O planning document.

Regional Entity Trustees, 10/31: SPP Regional Entity Executive Director Ron Ciesel reviewed the audit report and penalty assessment process. The Regional Standards development process was implemented in reaction to the Under Frequency Load Shedding Standard submitted to MOPC. The group also heard updates on the NERC and Regional Entity budgets.

Transmission Working Group, 10/2, 10/9, 10/23, 10/30: The October meetings were held to finish business not completed during August meetings. Attachment O was revised, and the group discussed NERC’s TPL-001 comment form and the definition of Adequate Level of Reliability.

Other Meetings

Strategic Planning Committee, 10/19

This is a summary of recent SPP organizational group meetings. For complete minutes of a particular group meeting, please visit 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.

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