SPECIAL MEETING OF

SOUTHWEST POWER POOL REGIONAL ENTITY TRUSTEES

June 24, 2009

Southwest Power Pool - Chenal Location

Little Rock, AR

• M I N U T E S •

SPP RE Trustee Chairman, John Meyer, called the meeting to order at 1:10 p.m. The following Trustees were also in attendance: Gerry Burrows, Dave Christiano. Others at the meeting were: Stacy Dochoda, Ron Ciesiel, Machelle Smith, Kevin Perry, Mak Nagle, Tracy Stewart (SWPA), Nicki Perryman (SWPA) and Alison Hayes, SPP RE Staff Secretary. The following attended via teleconference: John Allen (City of Springfield), Jeff Knottek (City of Springfield), Alice Murdock (Xcel Energy), Tim Wooley (Xcel Energy), Fred Meyer (Empire District), Timothy Arlt (NPPD), Sarah Blankenship (KCPL) and Jennifer Flandermeyer (KCPL),

Agenda Item 1 – SPP RE 2010 Business Plan and Budget

Stacy Dochoda

The final is due to NERC by July 8, 2009. Trustee approval needed.

Highlights:

SPP Training expense being moved out of RE budget.
Indirect cost rate dropped from $105 per hour to $64.49 per hour.
2 Unbudgeted FTE's requested for 2009: Administrative Assistant and replacement for Shon Austin in Compliance Group.
TFE Studies – Kevin Perry estimates 2500 requests to SPP RE on first day if regions held responsible. Potential additional manpower needs not reflected in 2010 budget.
SPP RE Compliance and Enforcement 2010 proposed FTEs – 14.
SPP RE 1 FTE direct staff for Reliability Standards with 0.5 shared staff.
2010 total budget is $7.4 million. 2009 projected budget variance is $526,000 favorable due to reduction in indirect rate. **(Attachment 1)**

Motion to Approve 2010 Budget – Gerry Burrows
Second – Dave Christiano
Passed unanimously

Agenda Item 2 – 2009 Proposed Unbudgeted Additions to Staff

Stacy Dochoda

Pursuant to the discussion of Agenda Item 1, a request was made for two unbudgeted staff additions in 2009: Administrative and Compliance.

Motion to approve addition of two unbudgeted staff positions in 2009, effective June 24, 2009 – Dave Christiano
Second – Gerry Burrows
Passed unanimously

Agenda Item 3 – SPP 3-Year Assessment

Stacy Dochoda

SPP RE 3-Year Assessment due to NERC June 25, 2009. A significant change was made to the "training' area and the organizational chart has been updated. The following changes will be made:

Page 3: Section B; Add language stating that entities have the right to vote, as well as participate in the standards development process.
Page 6: Note that the registration appeal is not still pending but has been decided and is official by operation of law.
Page 9: Section C: Insert language reflecting the move by SPP RE to separate offices with a new stricter access policy.
Page 15: Insert language reflecting the changes in how training will be budgeted and conducted through SPP RTO.
Throughout: Stacy Dochoda will search document and determine proper reference to SPP RE and SPP RTO and SPP, Inc. **(Attachment 2)**

Motion to approve SPP RE 3-Year Assessment with changes noted – John Meyer
Second – Gerry Burrows
Passed unanimously

Agenda Item 4 – SPP RE 2009 Goal Metrics

Ron Ciesiel

SPP RE Performance metrics were explained. Metrics will be retroactive through calendar year 2009. **(Attachment 3)**

Motion to accept metrics for 2009 – John Meyer
Second – Dave Christiano
Passed unanimously

Agenda Item 5 – SPP, Inc. Compliance Monitoring Proposal

Stacy Dochoda

NERC will perform compliance audits of SPP RTO, in lieu of SPP RE, pursuant to the FERC audit report. Stacy Dochoda is currently in discussions exploring the possibility of securing another Region to monitor the other compliance functions of SPP RTO on behalf of SPP RE.

Motion to accept compliance monitoring proposal – Gerry Burrows
Second – Dave Christiano
Passed unanimously

Agenda Item 6 – Proposal to Change SPP RE Process for Settlements and Penalties due to addition of RE GM

Stacy Dochoda

After discussion, the following Motion was made by Gerry Burrows:
Motion to set Trustee approval levels at:

$150,000 and above for penalty determinations;
$100,000 and above for settlements;
Both allowing 72 hour response from Trustees prior to action by SPP RE staff.
All other penalties and settlements shall be approved by the SPP RE General Manager.

Second – Dave Christiano
Passed unanimously

Agenda Item 7 – Standards Development

Mak Nagle

SPCWG posted first draft of UFLS regional standard April 1, 2009. Sixty-three comments were collected on April 30, 2009. Response was generally positive. There is a 50% split on agreement on the applicability of the standard.

SPCWG is performing an in depth technical analysis to address some of the comments. Study should be concluded by Q1 2010. SPCWG is proposing 24 months to become compliant after approval of the standard. Second draft is scheduled to be posted in next couple of weeks.

Agenda Item 8– Compliance Report

Ron Ciesiel
See attachments **(Attachment 4)**

Agenda Item 9– Lubbock Power & Light Registration Appeal Decision

Ron Ciesiel
See attachments **(Attachment 5)**

Agenda Item 10– NERC Wide Compliance Statistics through May 31, 2009

Ron Ciesiel
See attachments **(Attachment 6)**

With no further business, the meeting was adjourned. Executive Sessions where held prior to, and also at the conclusion, of the Open Meeting.

Respectfully Submitted,
Alison Hayes
Staff Secretary