

# Southwest Power Pool, Inc. ANNUAL MEETING OF MEMBERS SPP Corporate Center, Little Rock, AR October 25, 2016

## Agenda Items 1 and 2 - Administrative Items

SPP Board of Directors Chair, Mr. Jim Eckelberger, called the meeting to order at 8:01 a.m. Mr. Eckelberger asked for a round of introductions. There were 138 people in attendance either in person or via the phone representing 34 members (Attendance – Attachment 1). Mr. Brown reported proxies (Proxies – Attachment 2). Mr. Eckelberger introduced FERC Commissioner Colette Honorable.

Mr. Eckelberger referred to the administrative items and three sets of minutes for approval from October, 27, 2015, January 26, 2016, and July 25, 2016 (Minutes 10/27/15, 1/26/16 and 7/25/16 – Attachment 3).

Mr. Kelly Harrison moved to approve the minutes as presented; Mr. Dave Osburn seconded. The Membership voted, the motion passed.

## Agenda Item 3 - Corporate Governance Report

Mr. Nick Brown presented the Corporate Governance Committee (CGC) report. He explained that the CGC is different from the other committees because the sectors of Members elect their representatives to the CGC.

Mr. Brown presented the slate of nominees on the ballot for the coming year (Recommendation and Membership Ballot for the Board of Directors and Members Committee – Attachment 4, Recommendation and Membership Ballot for the Regional Entity (RE) Trustees – Attachment 5). Mr. Brown stated the Committee is responsible for nominating candidates to the Membership for three-year terms for the Board of Directors, Members Committee, and the RE Trustees. Mr. Brown also referenced the slide showing the members that are eligible to vote for the RE Trustees (SPP Member Companies Eligible to Vote in the RE Trustees Election – Attachment 6). Nominations for the Members Committee were also entertained from the floor. Hearing none, as applicable, the Membership was asked to vote for the following nominees to fill the positions with terms commencing January 1, 2017:

#### **Board of Directors:**

Phyllis Bernard Julian Brix

#### Members Committee (sector):

Kelly Harrison (Investor Owned Utility)
Stuart Solomon (Investor Owned Utility)
Stuart Lowry (Cooperative)
Mike Risan (Cooperative)
Jeff Knottek (Municipal)
Rob Janssen (Independent Power Producer/Marketer)
Brett Leopold (Independent Transmission Company)

#### RE Trustees:

Stephen Whitley

All nominees were elected.

As a follow up to the previous night's 75<sup>th</sup> anniversary dinner, Chairman Eckelberger thanked the past and current chairmen of the Markets and Operations Policy Committee (MOPC). He thanked Mr. Richard Ross for his dedication and commitment to the Market Working Group (MWG), and expressed his

appreciation to Mr. David Kays and Mr. Dennis Reed for their hard work on keeping the tariff as clean as possible, and consistent. Chairman Eckelberger relayed that there is so much wonderful work getting done by so many people.

#### Agenda Item 4 - President's Report

Mr. Nick Brown provided the annual President's Report. Financially, the revenues are down 3.3% and the expenses are up .3%. This is due to pension, medical, and cyber personnel expenses being higher. In August, Fitch renewed the company's "A" debt rating, with a stable outlook.

The year of the audits continues with the SERC Operations and Planning 693 audit with zero findings and multiple noted examples of excellence and a few recommendations. The financial audit was clean. FERC audited the Integrated Marketplace operation, all reporting requirements and the Market Monitoring Unit (MMU) and had no findings or recommendations on Integrated Marketplace or reporting. There were no findings in MMU independence. There were recommendations to improve the appearance of independence. These improvements have been noted and will be taking place. Testing is complete for the controls audit. Nothing was noted and an unqualified opinion with no exceptions is expected. There have been ten self-reports from the internal program "What does the tariff say?," with no FERC action. The CIP5 audit was expected to begin this fall but has been pushed back to next year pending the completion of the current CIP3 audit.

Wind is at 14,300 MWh of installed wind capacity in the SPP footprint, with a 50% penetration. Mr. Brown reported that it has been a very good year, with excellent IT infrastructure service availability. In September, the Integrated Marketplace exceeded \$1 billion in savings since March 2014. The Integrated Systems' integration completed one year ago this month, with millions of dollars in savings to members.

The Order 1000 bidding process was completed in 2016. There were many lessons learned, and it was a robust process.

SPP engaged with the federal government's Commodity Futures Trading Commission (CFTC) in 2016. SPP sought an exemption for the Day-Ahead Market, specifically from private rights of action (meaning any party could sue an ISO/RTO directly for noncompliance or interpretation of the administration of its tariff). Mr. Brown thanked Mike Ross for his leadership across the entire ISO/RTO Council for taking this on. On October 18, the CFTC did grant SPP's petition for waiver of their oversight and specifically gave all ISOs/RTOs an exemption from private rights of action.

This year two new board members were added, Graham Edwards and Bruce Scherr. Two new RE Trustees were also added, Steve Whitley and Mark Maher.

The staff is currently at 575 with a rolling annual turnover rate of just over 5% and a vacancy rate of just under 6%. Every vacancy is reviewed by the officer team.

At this point in the meeting Chairman Eckelberger thanked the Regional State Committee (RSC) and, specifically, Dana Murphy and Kristine Schmidt for their work and dedication with the new member process.

Mr. Brown resumed his report with a look toward 2017. Cyber security is the biggest challenge the company will face in the future. Trying to stay ahead from a security perspective is going to place new demands on the company. The IT group has been tasked to present where the company stands in respect to a cyber security maturity model level and go through the organizational groups for a review.

The company is working toward outreach to entities out to the West.

Annual Meeting of Members October 25, 2016

Mr. Brown referenced the background materials provided (Corporate Metrics – Attachment 7 and Financial Package – Attachment 8). There will be a deep-dive into the metrics at the December meeting. The metrics continue to evolve as requests are made from the members for information.

Chairman Eckelberger introduced FERC Commissioner Colette Honorable to the meeting. Commissioner Honorable was the keynote speaker at the 75<sup>th</sup> anniversary dinner the previous evening.

# **Adjournment**

With no further business, Mr. Eckelberger adjourned the Annual Meeting of Members at 8:45 a.m.

Respectfully Submitted,



# Southwest Power Pool ANNUAL MEETING OF MEMBERS AND BOARD OF DIRECTORS/MEMBERS COMMITTEE MEETING

## October 25, 2016

Southwest Power Pool Corporate Offices, Little Rock, AR Auditorium A & B

#### **AGENDA**

8:00 a.m. - 3:00 p.m. CDT

# **Annual Meeting of Members**

i. MWG

1.	Call to	Order and Administrative ItemsMr. Jim Eckelberger
2.	Approv	ve Minutes: 10/27/15, 1/26/16, 7/25/16
3.	Corpor	rate Governance ReportMr. Nick Brown
	a.	Election of Directors, Members Committee Representatives, and RE Trustee
4.	Preside	ent's ReportMr. Nick Brown
Adjouri	n for Boa	ard of Directors/Members Committee Meeting
Board	of Direc	ctors/Members Committee Meeting
1.	Call to	Order and Administrative ItemsMr. Jim Eckelberger
2.	Report	s to the Board
	a.	Regional State Committee Report
	b.	Federal Energy Regulatory Commission ReportMr. Patrick Clarey
	c.	Regional Entity Trustees Report
3.	Conse	nt Agenda
	a.	Approve Minutes: 7/25-26/16
	b.	Corporate Governance Committee
		<ul><li>i. Recommendation – Charter Approvals (PCWG &amp; SAWG)</li><li>ii. SPC Nomination</li><li>iii. Revision to Bylaws 6.2 and 6.4</li></ul>
	C.	Oversight Committee
		i. Recommendation – Industry Expert Pool for 2017
	d.	Markets and Operations Policy Committee

MRR178 Validation of Mitigated Resource Offer Parameters
 MRR179 Trading Hubs and Resource Hubs Compliance Filing
 MRR181 Annual Allocation Percent Change Compliance Filing

4. MRR185 Clarify SPP Operating Criteria

ii. ORWG 1. RR168 Short Term Emergency Rating BPWG 1. RR88 Release of Unscheduled Firm Timing Modification iv. RTWG 1. RR164 ITP Schedule Clarifications RR174 Non Material Delivery Point 3. RR176 Schedule 2 Clarifications v. PCWG 1. Project Cost Variance Report – NW Texarkana 345 kV project vi. SPC 1. Minimal Threshold (\$3M) for Competitive Projects 2. TOSP ATRR/Cost Template 3. Earlier Seating of the IEP 4. Transmission Project Restudy Request vii. Staff 1. 2016 Wind Integration 2. Study Accelerated Project - Cimarron - Draper 345kV terminal upgrade Scenario 5 Project Evaluation - Withdraw NTC a. MWG i. MRR173 Instantaneous Peak Load ii. MRR175 Ramp Shortage Compliance Filing iii. MRR183 VRL Annual Update 2016 iv. MRR193 Solar Generation 9. Future Meetings......Mr. Jim Eckelberger BOD – December 6.....Little Rock 2017 RET/RSC/BOD – January 30-31......Dallas RET/RSC/BOD – April 24-25.....Tulsa

BOD Education Session – June 12-13.....Little Rock

RET/BOD – July 24-25.....Denver

RET/RSC/BOD – October 30-31....Little Rock

BOD – December 5....Little Rock



ALTHER HISTORIAN STATE

# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
Tom HESTERMANN	San Hower
Michael C. Mosfet	Sunflower
Adrienne Clair	Sunflower
Ray Pergnic	SEPC
Patrick Smith	Wester
John Olsen	Wester
Richard Ross	REP
Jim JACOSY	AET
BRIAN JOHNSON	ACP
Lobert Satuto	Costomized Energy Solutions
-Jake Langthorn	OGE
Greg Malyley	OGEF
LES EVANS	KERCO
KRISTINE SCANIDT	SWIAN CONSULTING
Sam Londenslager	SPP Staff
Michael Desselle	FERL
Michael Desselle	SPP
Phil GRISSUP	06-46
STUART SOLOMON	AEP-PSO
David Hudson	Keel Energy - SPS
	0/



# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
Dave Ostuna	OMPA
Jon Hansen	OPPD
Aundrea Williams	Nextera
GRAHAM ESWARDS	5/1
Scott Heidtbrink	KCP# L
- Phyllis Bernard	SPP Director
Bret Gopold	ITC Great Plains
JULIAN ABRIX	SPP DIXECTOR
Grupp LOWRY	ENNFLOWER
KEVIN SMITH	TENASKA
HARRY SKILTON	SPP Director
Jin Eckelberger	SPP Director
Nick Brown	SPP Ttale
Bob Harris	WAPA
Duane Highley	Arkansas Electric Coop
LARRY A CTENDAUMER	SPP DIREIDA
Kelly & Harrison	Wester
Bruce Scherr	Spp Director
Rob Janssen	Degwood Energy
JOSH MARTIN	SPP DIRECTOR



# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
JASON ATWOOD	NTEC
MICHAEL WISE	GSEC
Tom Kent	NPPO
JEFF KNOTTEK	SPRM
Kelly Walters	Empire
Mike Risan	BEPC
BILL DOWLING	MIDW
PATRICK H. LYONS	MM PRC
Dave Christians	SPP RE
Nonan Williams	SCAUCN
Barbara Sugg	SPP
Shaun Stoth	SPP
Carl Monroe	SPP
Paul Suskie	SPP
Bruce Rew	5PP
	SCMCD/BL
Bary WARREN Kevin Hopper	SCMeN/GL
Deth Eminy	SCMCN/GL
TREET CARESTA	semen!
WALT SHUMETE	SHUMATE FASSOC.



# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
Cheryl Bredenbeck	XEST
BILL GRANT	XCEC/SPS
Bruce Cude	Xcel
Thomas Maldonardo	XCEC
BILL HARRELSON	GOLDEN SPREAD ELEC. COOP
Paul Malone	NPPD
Dennis Grennan	Nobsaska Poruse Recen Box
Steve Stell	mo psc
Libby Jacobs	IDWalltilities Bd.
Lamor B. Davis	Arlamson, Public Suc Carmin
Shar: Albrecht	Ks. Corp. Commission
Dallas Rippy	NMPRC
JASON CHAPLEN	203
John Krajewski	NE PRB
Adam McKinnie	Mo PSC
Cindy IRELAND	AR PSC
Meena Thomas	Texas Puc
Tara Smith	SPP
Stock and	wind Eastition
GERRY BURROWS	SPP RE



# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
Stephen Whitley	SPP RE
Mark Maher	SPP RE
KIM Sallivary	WFEC
Mall Caves	WFEC
BriAN Hobbs	WFEC
Tom Durn	SPP
Mille Ross	SPP
TOOD FRIDLEY	TRANSOURCE ENERGY
BILL BOURQUEZ	HUNT
Jason Fortik	LES
LANNY NICKELL	SPP
Haran Pyla	LS Power
Andrew Lachowsky	Ark Electric Cogn -
Joe Lang	OPPD
Seff Korloff	OPPD
Lori a Spence	m150
John Allen	City Utilities of Spfd.
Watt Cecil	Missouri PSC
MICK KOSSAN	Central Power Electric Loop
Tim EDWANDS	EAST ZIVE ElECTRIC YOWEN



# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
Jerry leace	OGTE
David BinHey	ITC
Chris Giles	TCEC
Kandi Hughes	SPP
Kevin Bornhoff	CBPC
Kylah McNabb	OK Sec of Energy & Enu.
SOAN WALKER RATUFF	PHILLIPS 66
Jay Caspany	SAP STRFF
Carre Simpson	Xcel Energy
BREAT BAKER	Empire Distant
Fred Meyer	The Employ Nistrict Electric Congrey
Malmda See	SPP'
Joe Gardne	m 150
Christine Larnes	KCC
Maggie Berry	GSEC
Ivan Zylu	Emera Energy
PETER COLUSSY	CA180.
Jack Madden	Gas
BRIAN GEDRICH	NEXTERP ENERSY TRANS
Joel Bladow	TSGIT



# **BOARD OF DIRECTORS/MEMBERS COMMITTEE**

SPP Corporate Center, Little Rock, AR October 25, 2016

Name	System
Mary Ann Zens	TS 6T
DAVID KAYS	OGE
DENUIS REED	MWRC/SEPC
Chris Mileonor	AECI
Don Krame	ENPPED
South Bents	IUB
Chad Allen	m 750
Tom Kleckner	ATO Insider
Darrell Piatt	FERC
Heather Starnes	MINIEUC
PHONE	
Ray Brush	Northwestern Energy
Brian Buffington	Xcel Energy
Anne-Marie Curtis	Emera Energy
Shawnee Clarborn-Pinto	PUC of Texas
Drew Robinson	KCPL
Mark Watson	Platk
Bob Whittmeer	Longhorn Power
	U



PO Box 429

Anadarko, OK 73005

(405) 247-3351

www.wfec.com

October 20, 2016

# TO WHOM IT MAY CONCERN:

I, Gary R. Roulet, Chief Executive Officer of Western
Farmers Electric Cooperative (WFEC), hereby authorize Brian
W. Hobbs to represent WFEC and vote on WFEC's behalf,
either via phone or attendance, at the Southwest Power Pool
Members Meeting and Board Meeting scheduled for
October 25, 2016, in Little Rock, Arkansas.

Sincerely,

Gary R Roule

Chief Executive Officer

GRR:jp



# Southwest Power Pool, Inc. ANNUAL MEETING OF MEMBERS SPP Corporate Center, Little Rock, AR October 27, 2015

## Agenda Items 1 and 2 - Administrative Items

SPP Board of Directors Chair, Mr. Jim Eckelberger, called the meeting to order at 8:02 a.m. Mr. Eckelberger asked for a round of introductions. There were 137 people in attendance either in person or via the phone representing 33 members (Attendance – Attachment 1). Mr. Brown reported proxies (Proxies – Attachment 2). Mr. Eckelberger introduced Michael Teague from the State of Oklahoma.

Mr. Eckelberger referred to the administrative items and the two sets of minutes for approval from October 28, 2014 and April 28, 2015 (Minutes 10/28/14 and 4/28/15 – Attachment 3).

Mr. David Hudson moved to approve the minutes as presented; Mr. Jeff Knottek seconded. The Membership voted, the motion passed.

#### Agenda Item 3 – Corporate Governance Report

Mr. Nick Brown presented the Corporate Governance Committee (CGC) report. He explained that the CGC is different from the other committees because the sectors of Members elect their representatives to the CGC.

Mr. Brown presented the slate of nominees on the ballot for the coming year (Recommendation and Membership Ballot – Attachment 4). Mr. Brown stated the Committee is responsible for nominating candidates to the Membership for three-year terms for the Board of Directors, Members Committee and the Regional Entity (RE) Trustees. Nominations for the Members Committee were also entertained from the floor. Hearing none, the Membership was asked to vote for the following nominees to fill the positions with terms commencing January 1, 2016:

#### **Board of Directors:**

Jim Eckelberger Harry Skilton

#### Members Committee (sector):

Kelly Walters (investor owned utility) Scott Heidtbrink (investor owned utility) Jason Atwood (cooperative) Mike Wise (cooperative) Kevin Smith (independent power producer/marketer) Tom Kent (state power agency)

Bob Harris (Federal Power Marketing Agency) Brett Leopold (independent transmission company)

RE Trustees: Dave Christiano

All nominees were elected.

Mr. Brown reported on the recommendation for Board of Directors and RE Trustees Compensation (Recommendation Board of Directors and RE Trustee Compensation – Attachment 5). The CGC is responsible for reviewing the director and trustee compensation and recommending changes to the

Membership for consideration. A review has not been conducted in the last couple of years. Mr. Brown stated that the timing is right as both the Board and RE Trustees are looking to expand their boards.

Mr. Rob Janssen made a motion to accept the proposed increases for the Board of Directors and RE Trustees compensation. Mr. Tom Kent seconded the motion. The motion passed.

Earlier in the year the CGC had made a recommendation to the Membership to increase the number of positions on both the SPP Board of Directors and the RE Trustees. The primary reason for the increase is to provide for succession planning. Pursuant to Section 10 of the Bylaws, modifications to Section 9 require approval of the Membership upon 30 days written notice of the proposed changes. The required notice was provided to the Membership on September 25. In addition, the CGC discussed a second item. With the growing footprint of SPP, which is a large area that is not covered by the SPP RE for compliance purposes, the CGC recommended to modify the voting procedures for RE Trustee elections to only SPP Members who are Registered Entities in the SPP RE footprint.

Mr. Kevin Smith made a motion to approve the revision to the Bylaws on the eligibility to vote on RE Trustee elections, removal, and compensation and potential RE Trustees expansion. Mr. Jon Hansen seconded the motion. The motion passed.

# Agenda Item 4 - President's Report

Mr. Nick Brown provided the President's Report. He began by discussing the dinner the previous evening and the celebration of the official welcome of the Integrated System into the SPP footprint. This year SPP has officially added ten new members into the SPP footprint. The ten new members: Midwest Gen, LLC; East River Electric Power Cooperative, Inc.; Missouri River Energy Services; Xcel Energy Southwest Transmission Company, LLC; Northwest Iowa Power Cooperative; Corn Belt Power Cooperative; Northwestern Energy; Harlan Municipal Utilities; Tri-State Generation and Transmission Association, Inc.; and Municipal Energy Agency of Nebraska. There is a grand total of 93 members in the SPP footprint at this time.

Mr. Brown thanked the members in their assistance and support with the Clean Power Plan and working with their states in how best to comply and respond to the changes. Mr. Brown thanked Lanny Nickell for all of his hard work to lead this effort.

Mr. Brown stated that SPP recently had its first annual Governmental Affairs Conference in Washington DC in September. Mr. Eckelberger attended and represented the SPP Board. Mr. Mike Ross put this together and the feedback was quite favorable.

The value of transmission is going to be a focus in the coming year. It will roll out to the Strategic Planning Committee (SPC) in January. It is important to not just focus on the cost of transmission but also the value that is created for the customers. It will be a multi-faceted release of information throughout 2016.

The dispute with MISO is over and an Offer of Settlement and Settlement Agreement was filed with FERC on October 13. Mr. Brown thanked David Kelley for all of his hard work in getting this to an end.

SPP has a new website and it was released on October 15. Ms. Barbara Sugg and her team were able to deliver on time. It is a nice refresh and something that can be improved in real-time in the future. Mr. Brown solicited feedback from the Members to make sure it does stay up-to-date.

This year a new Eastern Interconnect Data Sharing Network (EIDSN) was established. This has taken over the sharing of operational data from the previous NERCNet. It was formed one year ago and has come in on time and under budget. It is a much more robust network. It is able to carry massive amounts of synchrophasor data in real time at half of the cost.

Annual Meeting of Members October 27, 2015

In August Fitch reaffirmed SPP's "A" rating and stable outlook with the \$267 million debt.

In September, Mr. Brown and Mr. Ross participated in the dedication of "The Beast". It is a new 200 MW combustion turbine that can go to full load in less than 10 minutes.

There is a new book coming out written by Ted Koppel. "Lights Out: A Cyberattack, A Nation Unprepared, Surviving the Aftermath". It is his view, and he discusses how unprepared as an industry we are to deal with that type of event. Mr. Brown wanted to share the information with everyone in case they are contacted by the media to comment on this topic. The officer team this year has undertaken a renewed look at the whole enterprise-wide risk management. Earlier this year the team participated in exercises to identify and categorize risks and are looking at the resources needed to address these risks. Cyber security was ranked the highest risk. The company is focused on this area.

The stakeholder survey has launched. Please provide your feedback. It will close on October 30.

The 75<sup>th</sup> Anniversary is one year away. There will be a big celebration. Mr. Brown asked that those with a story they would like to share please let him know so that it can be recorded.

Mr. Eckelberger thanked Mr. Ross and Mr. Suskie for all they did to put together the Government Affairs Conference. It was very well attended and there was a lot of great information provided. It was also a wonderful networking opportunity.

#### **Adjournment**

With no further business, Mr. Eckelberger adjourned the Annual Meeting of Members at 8:42 a.m.



# Southwest Power Pool, Inc. SPECIAL MEETING OF MEMBERS Skirvin Hotel, Oklahoma City, Oklahoma January 26, 2016

#### Agenda Item 1 - Administrative Items

SPP Board of Directors Chair Mr. Jim Eckelberger called the meeting to order at 8:04 a.m. Mr. Eckelberger asked for a round of introductions. There were 123 people in attendance either in person or via the phone representing 30 Members (Attendance List – Attachment 1). Mr. Jim Eckelberger reported proxies (Proxies – Attachment 2). He introduced the new Southwestern Power Administration Administrator, Mr. Scott Carpenter, and the Secretary of Energy and Environment for the State of Oklahoma, Mr. Michael Teague.

#### Agenda Item 2 - Election of Board Members

Mr. Jim Eckelberger asked the potential board members to leave the room during the discussion and vote.

Mr. Nick Brown introduced the Corporate Governance Committee (CGC) and provided some background. He explained that the CGC is responsible for filling vacancies on the board and the overall general administration of the corporation. The committee met several times to focus on succession planning for the seven-person board that is comprised of six external directors and one internal director. In April of 2015, the Membership approved the recommendation to expand the external, independent director positions from six to up to nine positions. The CGC decided to fill only two of the three positions. The committee sent out five requests for proposal and selected executive search firm Russell Reynolds Associates. SPP has worked with this firm a number of times. The bylaws require the use of a search firm when filling a Regional Transmission Organization (RTO) director position. A set of skills was agreed upon by the committee, and 25 resumes were submitted for review by the committee in November. In December, the committee conducted eight interviews. Mr. Bruce Scherr and Mr. Graham Edwards were the two selected. You will find their biographies in the meeting materials along with the recommendation for their nomination and the ballot. (Recommendation, Board Biographies, and Ballot - Attachment 3). Mr. Eckelberger asked for a motion for the approval of the two new board members presented on the ballot. Mr. Stuart Lowry moved to nominate Graham Edwards and Bruce Scherr to the SPP Board of Directors. Mr. Mike Wise seconded the motion. The Membership voted and the motion was approved.

The new board members were welcomed and congratulated on their positions as new directors.

#### Adjournment

With no further business, Mr. Eckelberger adjourned the Special Meeting of Members at 8:24 a.m.

Respectfully Submitted.



# Southwest Power Pool, Inc. SPECIAL MEETING OF MEMBERS

# Rushmore Plaza Holiday Inn, Rapid City, SD $\,$

July 25, 2016

#### Agenda Item 1 - Administrative Items

SPP Board of Directors Chair Mr. Jim Eckelberger called the meeting to order at 1:00 p.m. Mr. Eckelberger asked for a round of introductions. There were 95 people in attendance either in person or via the phone representing twenty-nine Members (Attendance – Attachment 1). Mr. Jim Eckelberger reported proxies (Proxies – Attachment 2).

#### Agenda Item 2 - Election of Board Members

Mr. Nick Brown provided some background on the Corporate Governance Committee (CGC) and in the process of selecting candidates for the Reginal Entity (RE) Trustee positions for nomination to the Membership. The CGC was tasked with expanding the RE Trustee slate from three and up to four positions. In February the CGC utilized the assistance of the executive search firm Russell Reynolds Associates to aid in the search for new candidates. Originally the search was for one candidate to two when and in March Mr. John Meyers resigned from the Trustees due to a conflict of interest. Twenty-two resumes were submitted for review by the committee in early June. The committee narrowed down the selection to eight for in-person interviews. The CGC unanimously agreed on the two candidates on the ballot. Mr. Steve Whitley and Mr. Mark Maher both provided a brief introduction. There were no questions by the Membership. Mr. Brown reviewed the slide provided that showed the members that are eligible to vote, (RE Trustee Background – Attachment 3). He reminded everyone that those companies with affiliate relationships can cast only one vote. There are two positions open and each member eligible to vote must vote for two people. Chairman Eckelberger asked at this time if there were any nominations from the floor, seeing none the voting process continued and ballots were cast. The eligible Membership voted.

Mr. Mark Maher and Mr. Stephen Whitley were welcomed and congratulated on their positions as the new RE Trustees.

#### Adjournment

With no further business, Mr. Eckelberger adjourned the Special Meeting of Members at 1:17 p.m.

Respectfully Submitted,



#### CORPORATE GOVERNANCE COMMITTEE

## **Recommendation to the Membership**

October 25, 2016

# NOMINATIONS TO FILL EXPIRING TERMS ON THE BOARD OF DIRECTORS AND MEMBERS COMMITTEE

# **Background**

Representatives on the Board of Directors and Members Committee are elected by the Membership to serve three-year terms.

#### **Analysis**

The Corporate Governance Committee is responsible for nominating candidates for the Board of Directors and Members Committee to the Membership for consideration and election at the annual meeting of Members.

The following are nominated for three-year terms to commence January 1, 2017:

Board of Directors: Phyllis Bernard

Julian Brix

Petitions for other nominations to the Board of Directors may be made to the Corporate Secretary at least 15 calendar days before the meeting of Members with 20% of the Membership supporting the nominations.

Members Committee (sector): Kelly Harrison (IOU)

Stuart Solomon (IOU) Stuart Lowry (Cooperative) Mike Risan (Cooperative) Jeff Knottek (Municipal)

Rob Janssen (Independent Power Producer/Marketer) Brett Leopold (Independent Transmission Company)

Other nominations for the Members Committee may be made from the floor.

**Approved** 

Corporate Governance Committee February 25 and August 24, 2016

**Action Requested** 

Conduct the elections



# ANNUAL MEETING OF MEMBERS October 25, 2016

# **Ballot for SPP Board of Directors** and Members Committee

	ers should vote	for 2 nominees) Corporate Governance Committee:					
For	Against	Phyllis Bernard					
		Julian Brix					
SPP MEMBERS C Each Member		the number of nominees allocated for each sector.					
Investor Owned Utilities: (All Members should vote for 2 nominees) Recommended by Corporate Governance Committee:							
For	Against	Kally Harrison (Moster Energy Inc.)					
		Kelly Harrison (Westar Energy, Inc.)  Stuart Solomon (Dublic Sorrige Company of Oklohome)					
	Ш	Stuart Solomon (Public Service Company of Oklahoma)					
Add		es: 					
	ers should vote	for 2 nominees) Corporate Governance Committee:					
For	Against						
		Stuart Lowry (Sunflower Electric Power Corporation)					
		Mike Risan (Basin Electric Power Cooperative)					
Add	ditional Nominee	es:					
	ers should vote	for 1 nominee) Corporate Governance Committee:					
For	Against	Rob Janssen (Dogwood Energy, LLC)					
Add	ditional Nomine	es:					

# Ballot for SPP Membership October 25, 2016

Municipals: (All Members should vote for 1 nominee) Recommended by Corporate Governance Committee:	
For Against  Jeff Knottek (City Utilities of Springfield, MO)	
Additional Nominees:	
Independent Transmission Company: (All Members should vote for 1 nominee) Recommended by Corporate Governance Committee: For Against Brett Leopold (ITC Great Plains, LLC)	
Additional Nominees:	
State Agency:  There are currently no Members in this sector.	
Federal Power Marketing Agency:  There are currently no Members in this sector.	
Large Retail Customer:  There are currently no Members in this sector.	
Small Retail Customer:  There are currently no Members in this sector.	
Public Interest/Alternative Power:  There are currently no Members in this sector.	
MEMBER:	
REPRESENTATIVE'S SIGNATURE:	



# Southwest Power Pool, Inc. CORPORATE GOVERNANCE COMMITTEE

# **Recommendation to the Membership**

October 25, 2016

# NOMINATION TO FILL EXPIRING TERM ON THE REGIONAL ENTITY TRUSTEES

#### Background

Representatives on the Regional Entity Trustees are elected by the Membership to serve three-year terms.

### **Analysis**

The Corporate Governance Committee is responsible for nominating candidates for the Regional Entity Trustees to the Membership for consideration and election at the annual meeting of Members.

The following is nominated for a three-year term to commence January 1, 2017:

Regional Entity Trustees: Stephen Whitley

Petitions for other nominations to the Regional Entity Trustees may be made to the Corporate Secretary at least 15 calendar days before the meeting of Members with 20% of the Members that are Registered Entities in the SPP Regional Entity footprint (with Members with Affiliate relationships considered a single member) supporting the nominations.

### **Approved**

Corporate Governance Committee

June 10, 2016

## **Action Requested**

Conduct the election



# Southwest Power Pool, Inc. MEETING OF MEMBERS October 25, 2016

# **Ballot for Regional Entity Trustees**

## **SPP REGIONAL ENTITY TRUSTEES:**

(All Members who are Registered Entities in the SPP RE footprint should vote for 1 nominee -- with Members with Affiliate Relationships voting as a single Member)
Recommended by Corporate Governance Committee:

	For	Against	Stephen Whitley	
	Addit	ional Nomine	es:	
MEMBER:				
		S SIGNATURI		

# SPP Members Eligible to Vote in the Regional Entity Trustee Election October 25, 2016 Pursuant to Bylaws Section 9.7.3(c)

- 1. American Electric Power *voting as a single Member*:
  - a. AEP Oklahoma Transmission Company, Inc.
  - b. Public Service Company of Oklahoma
  - c. Southwestern Electric Power Company
  - d. Transource Energy, LLC<sup>1</sup>
- 2. Arkansas Electric Cooperative Corporation
- 3. Board of Public Utilities of Kansas City, Kansas
- 4. Boston Energy Trading and Marketing, LLC
- 5. City of Coffeyville
- 6. City of Independence, Missouri
- 7. City Utilities of Springfield
- 8. Clarksdale Public Utilities Commission
- 9. Cleco Power, LLC
- 10. Dogwood Energy, LLC
- 11. East Texas Electric Cooperative, Inc.
- 12. EDP Renewables North America LLC
- 13. The Empire District Electric Company
- 14. Flat Ridge 2 Wind Energy, LLC
- 15. Golden Spread Electric Cooperative, Inc.
- 16. Grand River Dam Authority
- 17. ITC Great Plains, LLC
- 18. Kansas City Power & Light Company
- 19. Kansas Electric Power Cooperative, Inc.
- 20. Lafayette Utilities System
- 21. Lea County Electric Cooperative, Inc.
- 22. Louisiana Energy and Power Authority
- 23. Midwest Energy, Inc.
- 24. NextEra Energy Resources, LLC
- 25. Northeast Texas Electric Cooperative, Inc.
- 26. Oklahoma Gas and Electric Company
- 27. Oklahoma Municipal Power Authority
- 28. Public Service Commission of Yazoo City
- 29. Rayburn Country Electric Cooperative, Inc.
- 30. Southwestern Public Service Company
- 31. Sunflower Electric Power Corporation
- 32. Tenaska Power Services Co
- 33. Tex-La Electric Cooperative of Texas, Inc.
- 34. Tri-County Electric Cooperative, Inc.
- 35. Westar Energy, Inc.
- 36. Western Farmers Electric Cooperative

<sup>&</sup>lt;sup>1</sup> Transource Energy, LLC also has an Affiliate Relationship with Kansas City Power & Light Company per attribute (a) as defined in Bylaws Section 1.0, Affiliate Relationships.



# **CORPORATE METRICS**

3<sup>rd</sup> Quarter 2016

October 17, 2016

# Southwest Power Pool Corporate Metrics

#### Dashboards

Transmission and Markets

Financial

Studies

#### **Transmission & Market Indicators**

- M.1. TCR/ARR Summary
- M.2. Congestion
- M.3. Regional Control Performance
- M.4. Prices
- M.5. Make Whole Payments / Revenue Neutrality Uplift
- M.6. Virtual Activity
- M.7. Capacity and Commitments

## **Financial Metrics**

- F.1. Admin Fee Measurement
- F.2. Credit
- F.3. Settlement Disputes
- F.4. Human Resources

#### **Performance Metrics**

- P.1. Regional Entity Compliance
- P.2. System Performance
- P.3. Transmission Service Studies
- P.4. Generation Interconnection Studies
- P.5. Strategic Plan

Metrics Definitions

Supplement - Regulatory Activity Update & Outlook

#### **DISCLAIMER**

The data and analysis in this report are provided for informational purposes only and shall not be considered or relied upon as market advice or market settlement data. Southwest Power Pool (SPP) makes no representation or warranties of any kind, express or implied, with respect to the accuracy or adequacy of the information contained herein.

SPP shall have no liability to recipients of this information or third parties for the consequences arising from errors or discrepancies in this information, or for any claim, loss or damage of any kind or nature whatsoever arising out of or in connection with (i) the deficiency or inadequacy of this information for any purpose, whether or not known or disclosed to the authors, (ii) any error or discrepancy in this information, (iii) the use of this information, or (iv) a loss of business or other consequential loss or damage whether or not resulting from any of the foregoing.

# **Transmission & Market Dashboard**

Q3 2016

						dicator Threshold Values		es
Markets Operational Indicators		Q3 2016 Indicators		tors				•
Metric	Chart	Jul-16	Aug-16	Sep-16	Expected	Monitor	Concern	Problem
TCR Funding	M.1.2				>= 90%, <= 100%	± 5% of Expected	± 10% of Expected	± 20% of Expected
CPS1 & BAAL Reporting	M.3	•	•	•	<=20 mins or >120	>20 mins or =<120	>25 mins or <110	>=30 mins or <100
RT-DA Price Deviation	M.4.4	•	•	•	<= 25%	<= 30%	<= 35%	> 45%
MWP Distribution per MWh	M.5.3	•	•	•	<= \$0.50	<= \$0.75	<= \$1.00	> \$1.00
Monthly Average Gross Virtual Profitability per MWh	M.6	•	•		<= \$2.00	<= \$2.50	<= \$3.00	> \$3.00
Excess Capacity (900 MW + X % of Peak Obligation)	M.7.1	•	•	•	<= 0.5%	<= 1%	<= 1.5%	> 1.5%
Source of Commitment (% Committed Capacity)	M.7.2	•	•	•	>= 95%	>= 90%	>= 85%	< 85%
Operational Metrics (Year-to-date), Days Failed	P.2.2	•	•	•	<= 14	<= 18	<= 25	> 25
Day-Ahead Mid-Term Load Forecast (% Error)	P.2.3	•	•	•	<= 5%	<= 10%	<= 15%	> 15%
Short-Term Load Forecast (% Error)	P.2.3	•	•	•	<= 1%	<= 1.5%	<= 2.5%	> 2.5%
On-Time Real-Time Posting	P.2.3	•	•	•	>= 99.5%	>= 99%	>= 98.5%	< 98%
On-Time Day-Ahead Posting	P.2.3	•	•	•	>= 99%	>= 98.5 %	>= 98%	< 98%

Please note: Dashboard metric criteria are reviewed and revised each year.

<sup>\*</sup> The current year Dashboard metric criteria have been published at the end of the document.

<sup>\*\*</sup> Each metric item is identified by a number that links the metric to its corresponding chart and criteria entry.

Finance Dashboard Q3 2016

					Indi	Indicator Threshold Values			
					•	_	<u> </u>		
Metric	Chart	Prev	vious Indica	tors	Expected	Monitor	Concern		
Admin Fee Measurement (Forecast vs Budget)		Jul-16	Aug-16	Sep-16					
Gross Revenue Requirement (GRR)	F.1	<b>V</b>	•	•	<=\$1.0 M	\$1.1 M to \$2.2 M	> = \$2.3 M		
Net Revenue Requirement (NRR)	F.1	<b>V</b>	•	•	<=\$1.0 M	\$1.1 M to \$2.2 M	> = \$2.3 M		
Admin Fee Revenue Collected	F.1	<b>V</b>	<b>V</b>	<b>V</b>	<=\$1.0 M	\$1.1 M to \$2.2 M	> = \$2.3 M		
Over/(Under) Recovery	F.1	<b>V</b>	<b>V</b>	<b>V</b>	<=\$1.0 M	\$1.1 M to \$2.2 M	> = \$2.3 M		
MWh Load	F.1	<b>V</b>	<b>V</b>	<b>V</b>	<=3.0	3.1 to 5.8	> = 5.9		
Credit		Jul-16	Aug-16	Sep-16					
Short Pays & Uncollected Amounts	F.2	•	•	•	Short Pays = \$0; Uncollected = \$0	Short Pays > \$0; Uncollected = \$0	Short Pays > \$0; Uncollected > \$0		
Settlement Disputes		Jul-16	Aug-16	Sep-16					
Number of Open Disputes	F.3	•	•	•	< = 30	31 to 60	> 60		
Average Days Outstanding	F.3	•	•	•	<= 30	31 to 45	> 45		
Average Dispute Amount (millions)	F.3	•	•	•	<=\$1.0	\$1.1 to \$2.0	> \$2.0		
Number of Resettlements	F.3				< = 50	51 to 90	> 90		
Human Resources		Q1.16	Q2.16	Q3.16					
Quarterly Turnover Rate	F.4		•		<=1.5%	1.51 to 2%	> 2%		
Rolling 4 Qtr Turnover Rate	F.4	•	•	•	< 6%	6 to 8%	> 8%		
Vacancy Rate	F.4	<b>V</b>			< 5%	5 to 8%	> 8%		

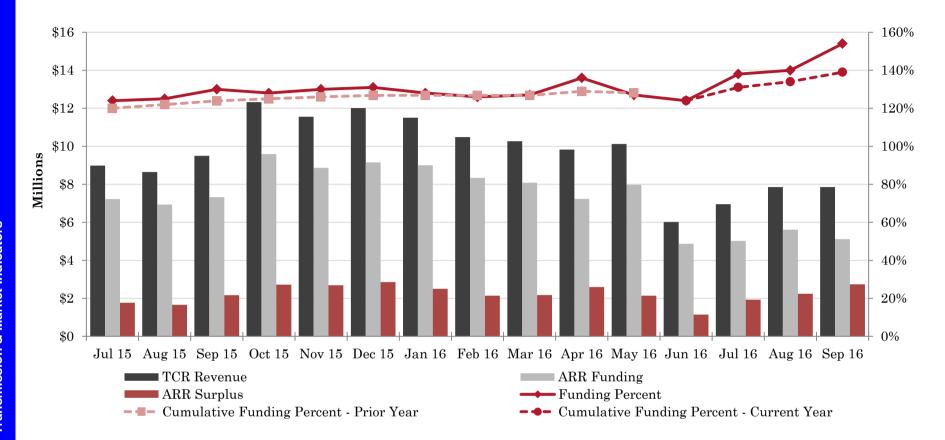
**Engineering Studies** 

Q3 2016

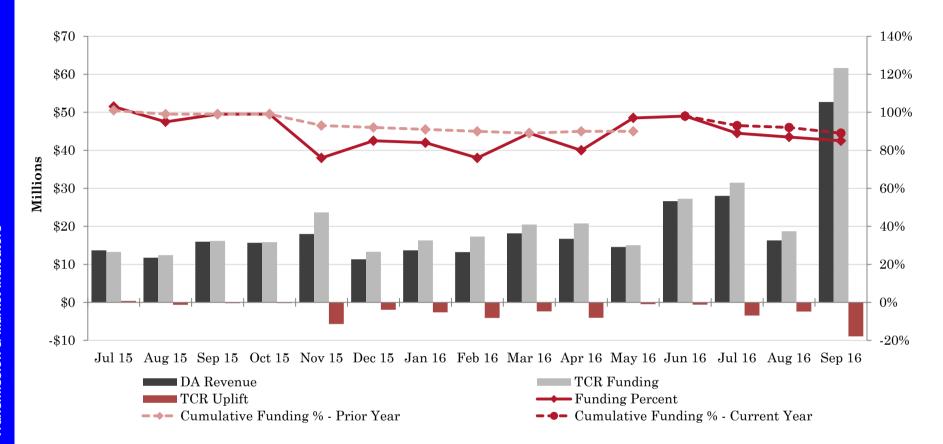
Percentage of study postings that were on-time during the				Indicator Threshold Values				
quarter.	Qι	arterly Indi	cators	•		<b>V</b>		
Study Type	Chart	Q1.16	Q2.16	Q3.16	Expected	Monitor	Concern	
Aggregate Facilities Studies	P.3	•	•	•	100%	80-99%	> 80%	
Delivery Point Transfer Screening Studies	P.3	•	•	•	100%	80-99%	> 80%	
Long-Term Service Request Screening Studies	P.3	•	•	•	100%	80-99%	> 80%	
Generator Interconnection Active Requests > 365 Days	P.4	•	•	•	< 10%	< 30%	> 30%	

SPP must report to the commission when more than 20% of Facilities Studies (not Screening Studies) are late in two consecutive calendar quarters. SPP is subject to penalty if 10% or more are late in the following two calendar quarters after breaking the 20% late threshold.

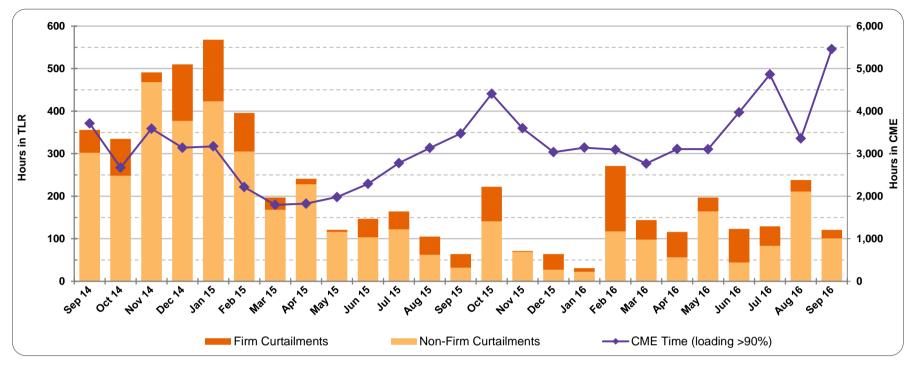
# M.1.1. ARR Funding Summary



# M.1.2. TCR Funding Summary

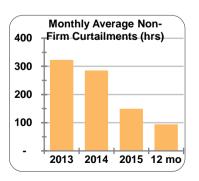


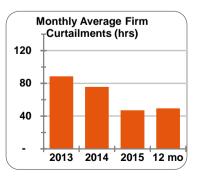
# M.2.1. Congestion - TLR / CME Time

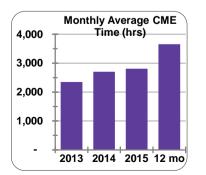


in hours	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Non-Firm Curtailments	122	62	32	141	69	27	22	117	98	56	164	44	83	211	101
Firm Curtailments	42	43	32	81	2	37	9	154	46	60	33	79	46	27	20
Total	164	105	64	222	71	64	31	271	144	116	197	123	129	238	121
CME Time (loading >90%)	2,779	3,134	3,475	4,407	3,598	3,036	3,142	3,094	2,767	3,108	3,107	3,971	4,863	3,356	5,460

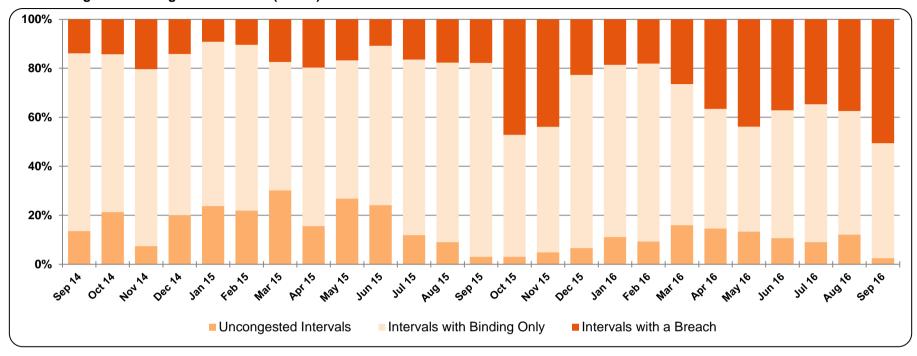
6	2013	2014	2015	12 mo					
)1	323	286	150	94					
20	89	76	47	50					
1	412	361	197	144					
60	2,351	2,705	2,809	3,659					
	Monthly Average in Hours								







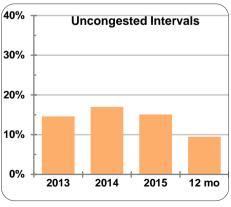
# M.2.2. Congestion - Congested Intervals (RTBM)

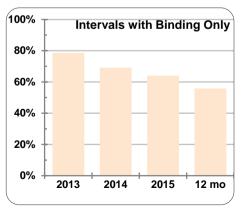


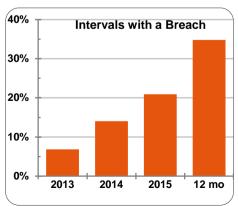
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Uncongested Intervals	12%	9%	3%	3%	5%	7%	11%	9%	16%	15%	13%	11%	9%	12%	2%
Intervals with Binding Only	72%	73%	79%	50%	51%	71%	70%	73%	58%	49%	43%	52%	56%	50%	47%
Intervals with a Breach	16%	18%	18%	47%	44%	23%	19%	18%	26%	37%	44%	37%	35%	37%	51%

6	2013	2014	2015	12 mo					
%	15%	17%	15%	9%					
%	79%	69%	64%	56%					
%	7%	14%	21%	35%					
		Average							

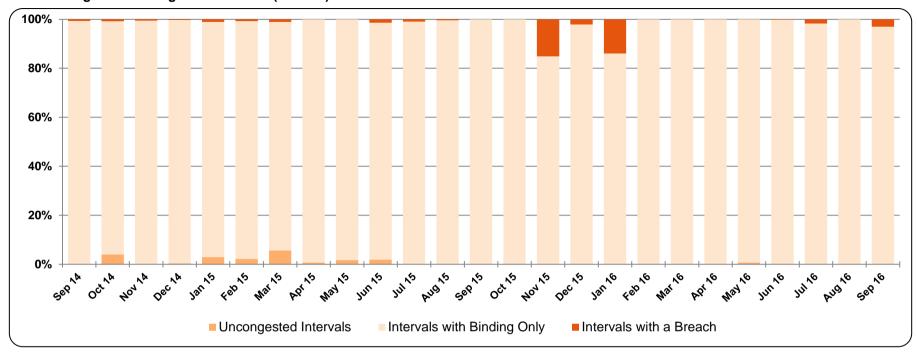
Interval = 5 minutes





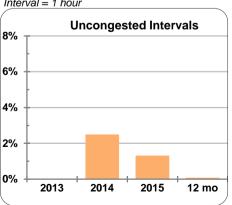


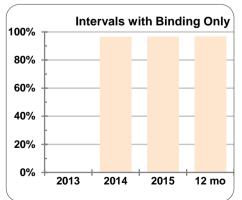
# M.2.2. Congestion - Congested Intervals (DAMKT)

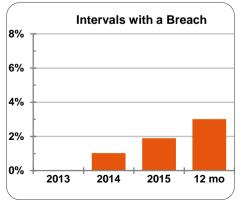


	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Uncongested Intervals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
Intervals with Binding Only	99%	99%	100%	100%	85%	98%	86%	100%	100%	100%	99%	100%	98%	100%	97%
Intervals with a Breach	1%	0%	0%	0%	15%	2%	14%	0%	0%	0%	0%	0%	2%	0%	3%

	2013	2014	2015	12 mo				
6		2%	1%	0%				
6		96%	97%	97%				
6		1%	2%	3%				
	Average							

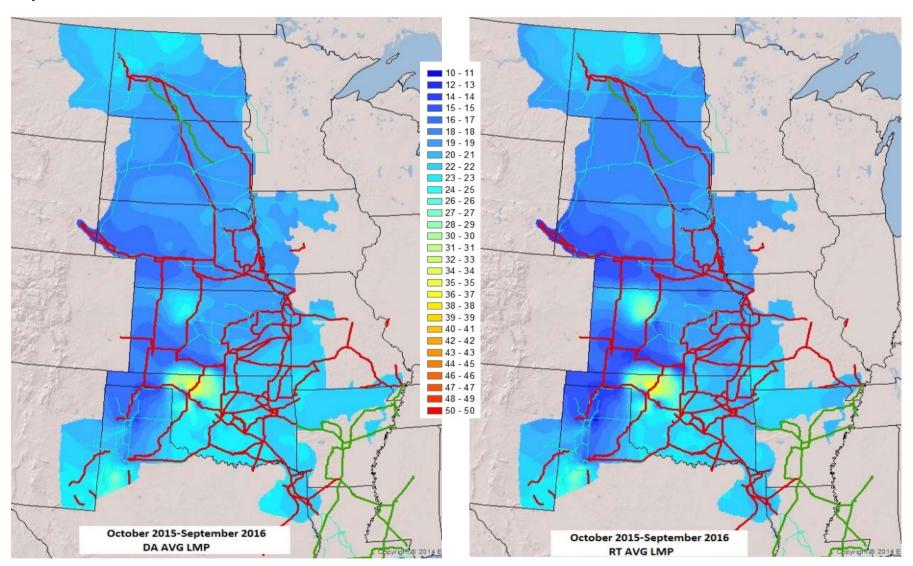




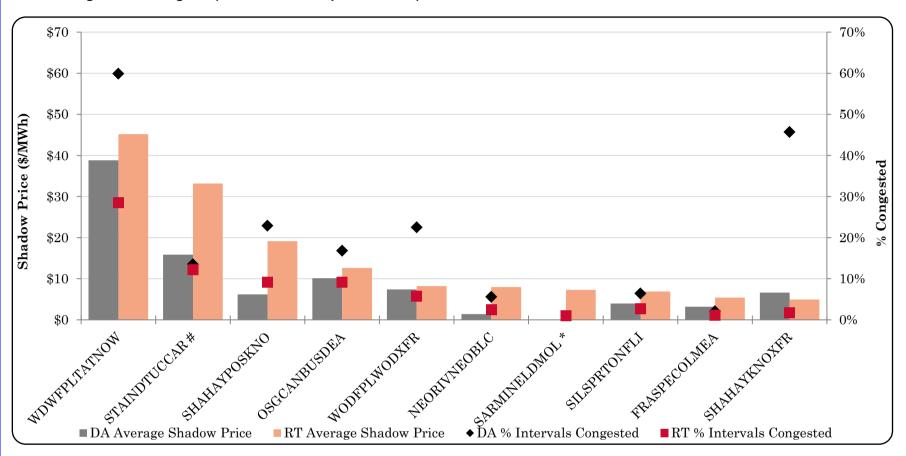


# M.2.3. Price Contour Map (October 2015 - September 2016)





## M.2.4. Congestion - Flowgates (October 2015 - September 2016)



Flowgate Name	Region	Flowgate Location
WDWFPLTATNOW	Western Oklahoma	Woodward-FPL Switch (138) ftlo Tatonga-Northwest (345)
STAINDTUCCAR#	Texas Panhandle	Stanton-Indiana (115) ftlo Tuco-Carlisle (230)
SHAHAYPOSKNO	Central Kansas	South Hays-Hays (115) ftlo Post Rock-Knoll (230)
OSGCANBUSDEA	Texas Panhandle	Osage Switch-Canyon East (115) ftlo Bushland-Deaf Smith (230)
WODFPLWODXFR	Western Oklahoma	Woodward-FPL Switch (138) ftlo Woodward Xfmr (138/69)
NEORIVNEOBLC	SE Kansas	Neosho-Riverton (161) ftlo Neosho-Blackberry (345)
SARMINELDMOL *	Arkansas/Louisiana	Sarepta-Minden (115) ftlo El Dorado EHV-Mount Olive (500)
SILSPRTONFLI	NW Arkansas	Siloam-Siloam Springs (161) ftlo Tonnence-Flint Creek (345)
FRASPECOLMEA	Nebraska-South Dakota	Fort Randall-Spencer (115) ftlo Meadow Grove-Kelly (230)
SHAHAYKNOXFR	Central Kansas	South Hays-Hays (115) ftlo Knoll Xfmr (230/115)

<sup>#</sup> STAINDTUCCAR also includes congestion from TMP145\_21718, which became STAINDTUCCAR.

<sup>\*</sup> MISO Market-to-Market flowgate

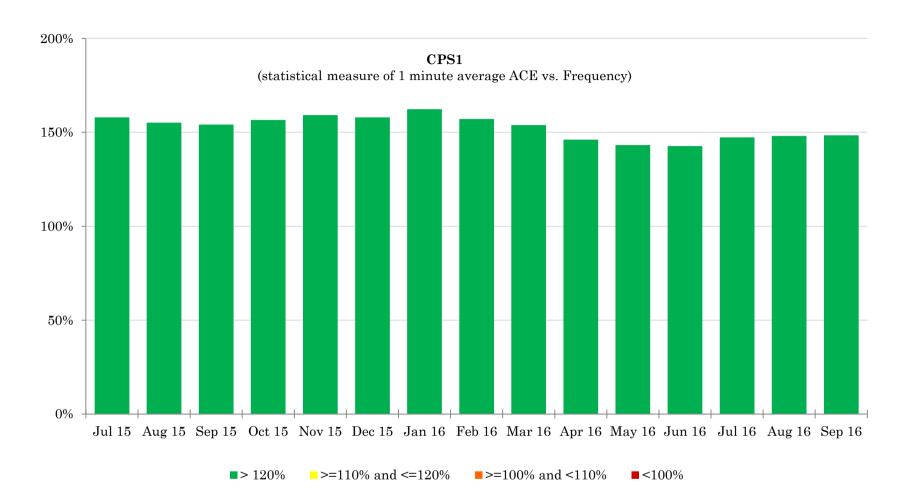
# M.2.4. Congestion - Flowgates (October 2015 - September 2016)

Flowgate Name	Region	Flowgate Location	Projects that may provide mitigation
WDWFPLTATNOW	Western Oklahoma	Woodward-FPL Switch (138) ftlo Tatonga-Northwest (345)	Matthewson - Tatonga 345 kV Ckt 2 (June 2017 – ITP10)
STAINDTUCCAR#	Texas Panhandle	Stanton-Indiana (115) ftlo Tuco- Carlisle (230)	Tuco - Yoakum 345 kV Ckt 1 (June 2020 – ITPNT)
SHAHAYPOSKNO	Central Kansas	South Hays-Hays (115) ftlo Post Rock-Knoll (230)	Hays - South Hays 115 kV rebuild (October 2016 – ITPNT)
OSGCANBUSDEA	Texas Panhandle	Osage Switch-Canyon East (115) ftlo Bushland-Deaf Smith (230)	Canyon East Sub –Randall County Interchange 115 kV line (March 2018 – Aggregate Studies)
WODFPLWODXFR	Western Oklahoma	Woodward-FPL Switch (138) ftlo Woodward Xfmr (138/69)	1. Matthewson - Tatonga 345 kV Ckt 2 (June 2017 – ITP10) 2. Woodward - Tatonga 345 kV Ckt 2 (March 2021 - ITP10)
NEORIVNEOBLC	SE Kansas	Neosho-Riverton (161) ftlo Neosho- Blackberry (345)	No projects identified at time of report publication. Constraint under evaluation in 2017 ITP10 to be completed January 2017.
SARMINELDMOL *	Arkansas/Louis iana	Sarepta-Minden (115) ftlo El Dorado EHV-Mount Olive (500)	No projects identified at time of report publication. Constraint under evaluation in 2017 ITP10 to be completed January 2017.
SILSPRTONFLI	NW Arkansas	Siloam-Siloam Springs (161) ftlo Tonnence-Flint Creek (345)	No projects identified at time of report publication. Constraint under evaluation in 2017 ITP10 to be completed January 2017.
FRASPECOLMEA	Nebraska- South Dakota	Fort Randall-Spencer (115) ftlo Meadow Grove-Kelly (230)	No projects identified at time of report publication. Constraint under evaluation in 2017 ITP10 to be completed January 2017.
SHAHAYKNOXFR	Central Kansas	South Hays-Hays (115) ftlo Knoll Xfmr (230/115)	Hays - South Hays 115 kV rebuild (October 2016 – ITPNT)

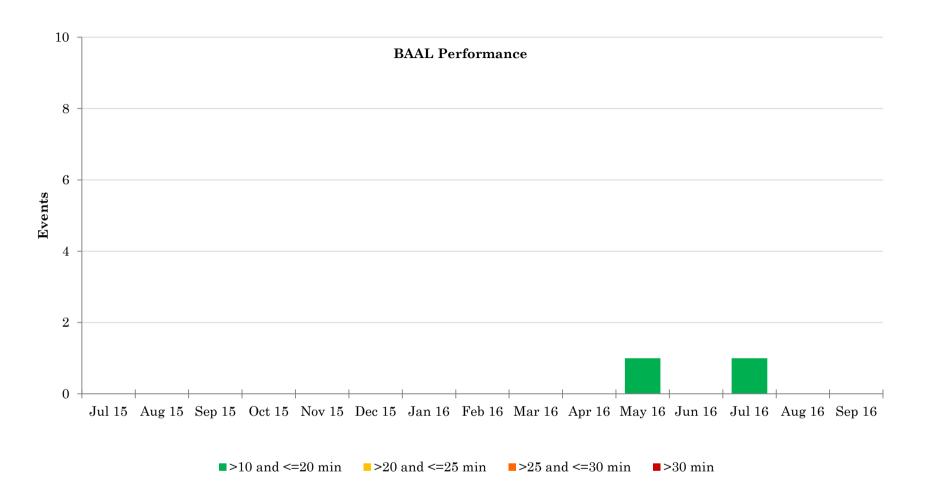
<sup>#</sup> STAINDTUCCAR also includes congestion from TMP145\_21718, which became STAINDTUCCAR.

<sup>\*</sup> MISO Market-to-Market flowgate

# M.3.1. Balancing Authority Report - CPS Performance

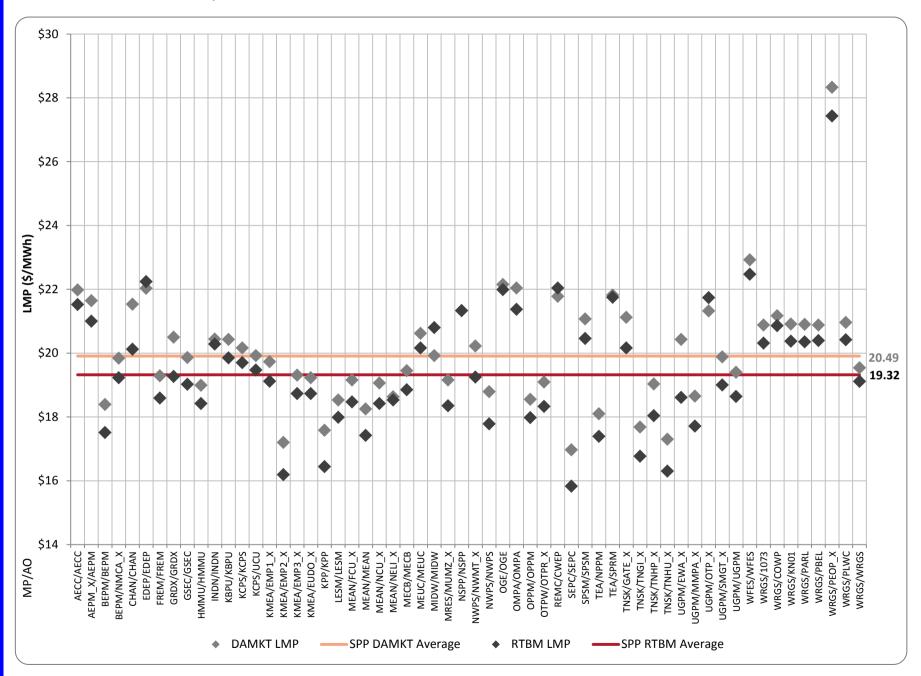


# M.3.2. Balancing Authority Report - BAAL Performance

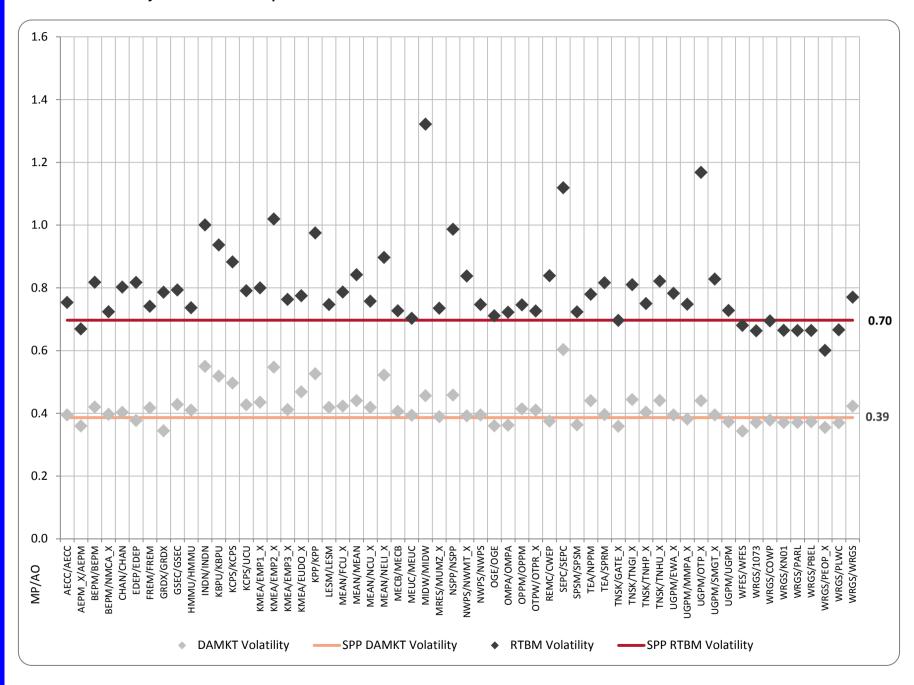


Event Length	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
>10 and <=20 min	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0
>20 and <=25 min	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
>25 and <=30 min	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
>30 min	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

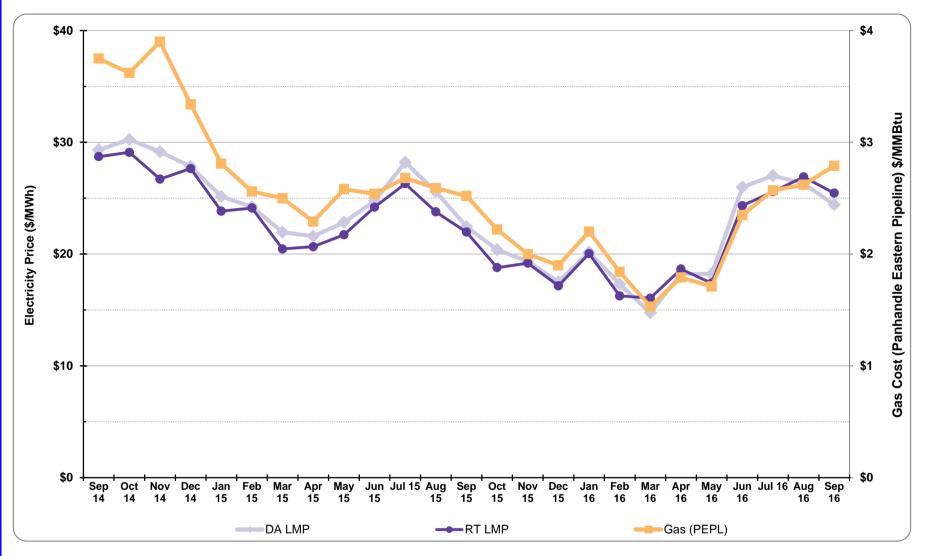
#### M.4.1. Price - October 2015-September 2016



#### M.4.2. Price Volatility - October 2015-September 2016

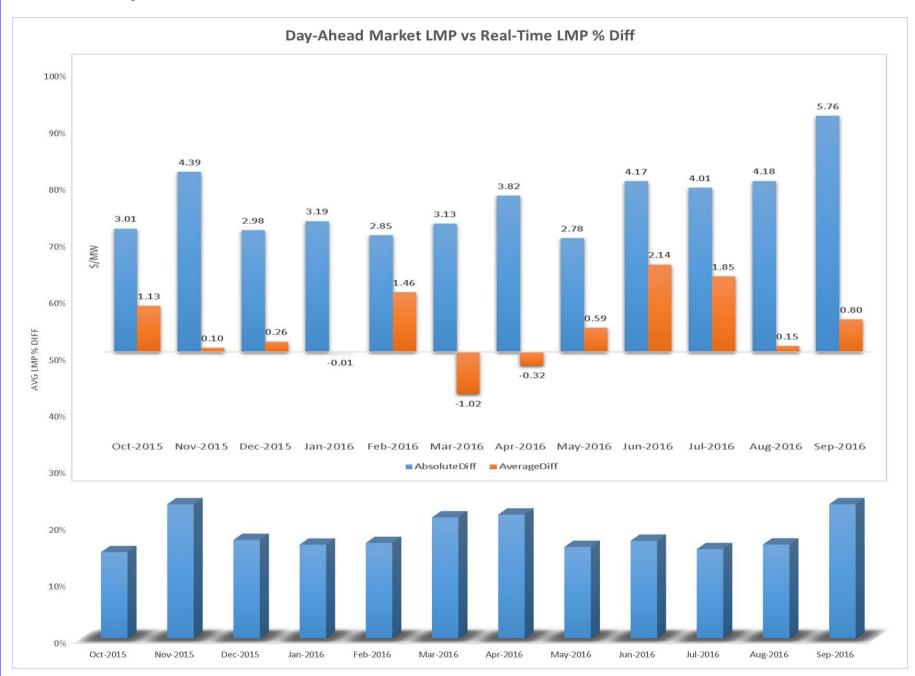


# M.4.3. Electricity/Gas Cost Comparison

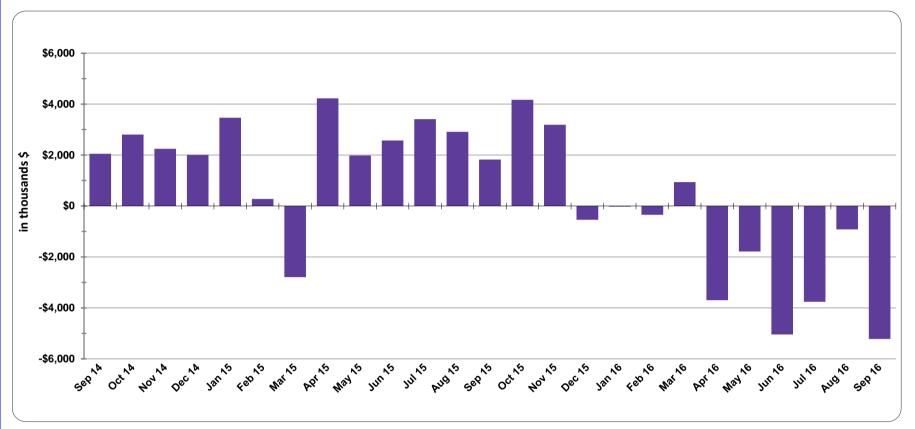


Average in \$	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
DA LMP (\$/MWh)	28.21	25.58	22.45	20.38	19.35	17.52	20.17	17.32	14.75	18.24	18.22	25.98	27.02	26.31	24.42
RT LMP (\$/MWh)	26.30	23.78	21.97	18.79	19.19	17.16	20.05	16.26	16.06	18.66	17.40	24.33	25.58	26.90	25.45
PEPL Gas Cost (\$/MMBtu)	2.68	2.59	2.52	2.22	2.00	1.90	2.20	1.84	1.53	1.79	1.71	2.35	2.57	2.62	2.79

## M.4.4. Price Divergence

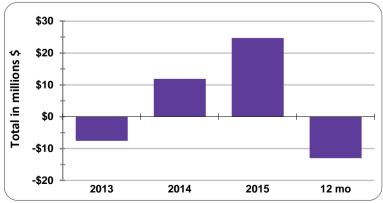


# M.5.1. Revenue Neutrality Uplift



in thousands \$	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Total Uplift	3,409	2,913	1,824	4,172	3,193	-539	-22	-345	942	-3,695	-1,784	-5,043	-3,760	-915	-5,215

6	2013	2014	2015	12 mo									
15	-7,553	11,906	24,721	-13,012									
		Total											



# Revenue Neutrality Uplift (RNU) ensures settlement payments/receipts for each settlement interval equal zero.

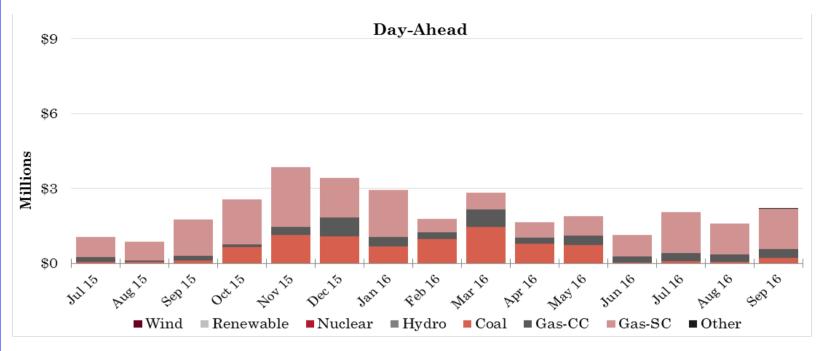
- Positive RNU SPP receives insufficient revenue and collects from market participants.
- Negative RNU SPP receives excess revenue, which must be credited back to market participants.

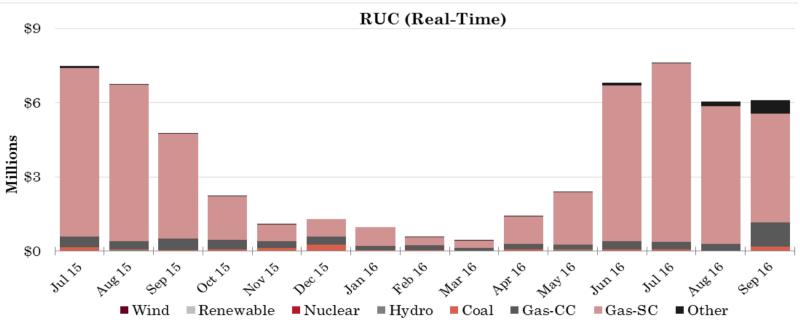
# M.5.1. Revenue Neutrality Uplift

in thousands \$	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
DA Revenue Inadequacy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RT Revenue Inadequacy	27	6	61	62	26	-21	14	5	20	-35	-23	-71	-119	-27	-127
RT OOME MWP	7	131	16	125	33	69	92	40	17	-145	-293	-489	-172	-145	-175
RT Regulation Deployment Adj	127	62	53	42	36	-70	-170	-1	-46	21	16	-155	-232	-188	-202
RT JOA Adj	-69	223	-378	-143	901	-964	-1,473	-1,115	-599	-187	387	325	-274	-512	-1,633
RT Congestion Adj	2,251	1,937	1,785	3,373	1,792	42	1,450	1,584	985	-2,957	-2,224	-6,670	-3,446	-1,629	-5,346
SUBTOTAL	2,343	2,358	1,537	3,460	2,789	-945	-87	513	377	-3,303	-2,137	-7,060	-4,243	-2,501	-7,483
Less RT Net Inadvertent Adj	-1,066	-554	-287	-712	-404	-405	-65	859	-565	392	-353	-2,017	-483	-1,586	-2,268
TOTAL RNU	3,409	2,913	1,824	4,172	3,193	-539	-22	-345	942	-3,695	-1,784	-5,043	-3,760	-915	-5,215

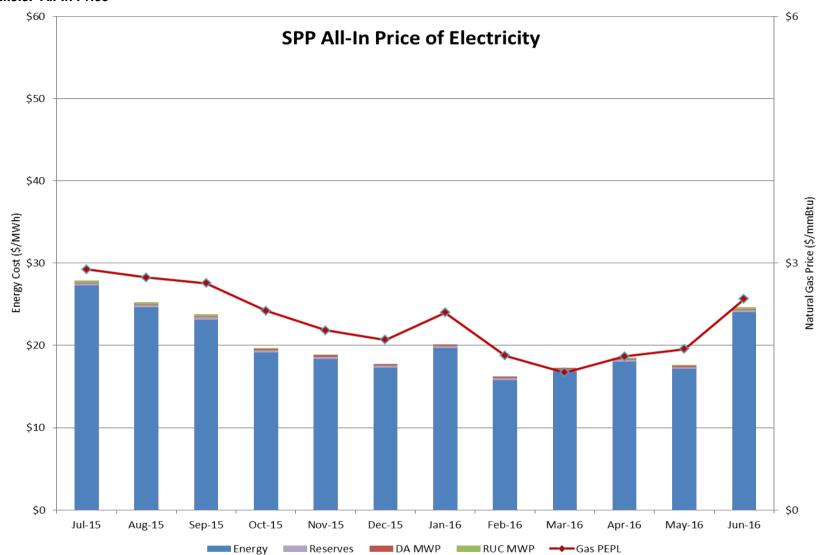
<sup>\*</sup> This table is based on the latest available settlements data and is subject to change due to resettlement.

## M.5.2. Make Whole Payments

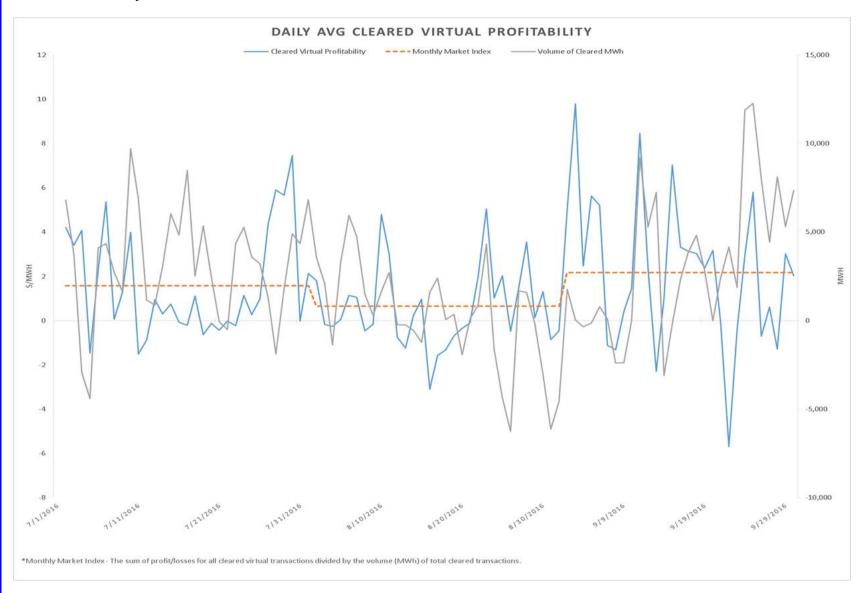




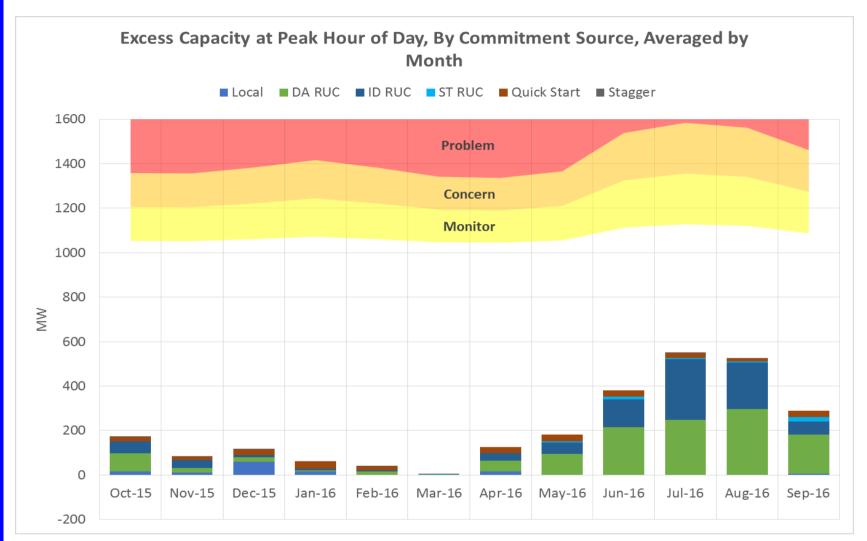
### M.5.3. All-In Price



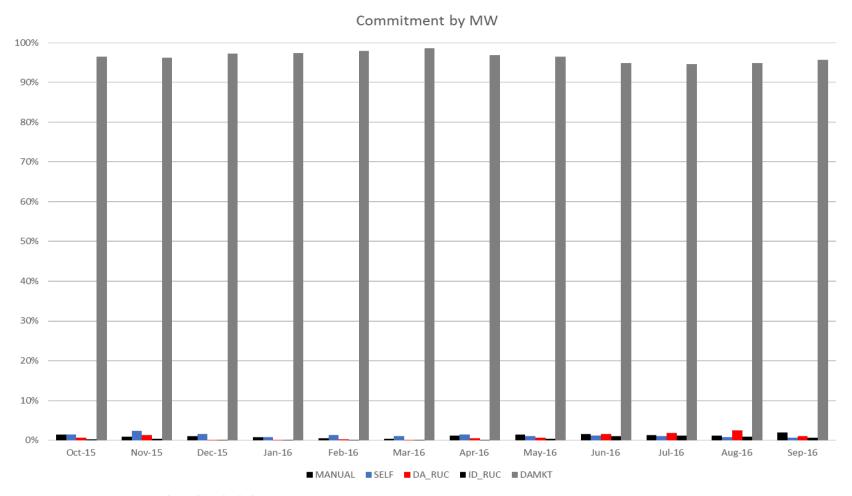
# M.6. Virtual Activity



# M.7.1. Excess Capacity



### M.7.2. Source of Commitment



DA\_RUC — Day-Ahead Reliability Unit Commitment ID\_RUC — Intra-Day Reliability Unit Commitment DAMKT — Day-Ahead Market

#### SPP Administrative Fee, Net Revenue Requirement & Load Metric FY Forecast vs. Budget Variance (millions) FY Forecast vs. Budget Variance as of: Jul-2016 Sep-2016 Aug-2016 Gross Revenue Requirement (GRR) (\$2.5) (\$0.9) (\$0.4) Net Revenue Requirement (NRR) (\$2.4) (\$0.6) (\$0.1) Admin Fee Revenue Collected (\$5.6) (\$5.3) (\$5.9)Over/(Under) Recovery (\$7.8) (\$6.0) (\$6.0) **=** MWh Load (15.0)(14.4) (13.7)

# F.1.2. Admin Fee Measurement

SPP Administrative Fee, Net Revenue Requirement & Load Metric
FY Forecast as of September 30, 2016

(millions)

	2016 Forecast	2016 Budget	Fav /(Unfav)	
Gross Revenue Requirement (GRR)	\$164.9	\$164.6	(\$0.4)	
Net Revenue Requirement (NRR)	\$150.6	\$150.5	(\$0.1)	
Admin Fee Revenue Collected	\$144.8	\$150.7	(\$5.9)	
Over/(Under) Recovery	(\$5.9)	\$0.2	(\$6.0)	
MWh Load	393.5	407.2	(13.7)	

	Legend
2016 Budget 1¢ Unfavorable NRR Threshold 1¢ Unfavorable Load Threshold 1¢ Unfavorable Impact Factor  Revenues Red Yellow	NRR MWh Admin Fee  \$150.5 407.2 \$0.37  \$152.8 407.2 \$0.38  \$150.5 401.3 \$0.38  (\$2.3) (5.9) (\$0.01)  ■ > = \$2.3 unfavorable between \$1.1 and \$2.2 unfavorable
Green  MWh Load  Red  Yellow	<ul> <li>&lt;= \$1.0 unfavorable</li> <li>&gt;= 5.9 unfavorable</li> <li>between 3.1 and 5.8 unfavorable</li> </ul>
Green	< = 3.0 unfavorable

### F.1.3 Admin Fee Measurement

# SPP Net Revenue Requirement Components FY Forecast as of September 30, 2016

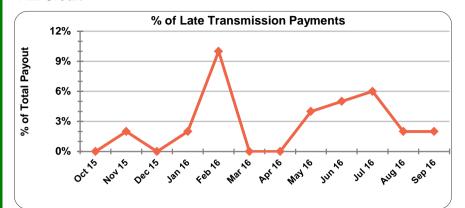
(millions)

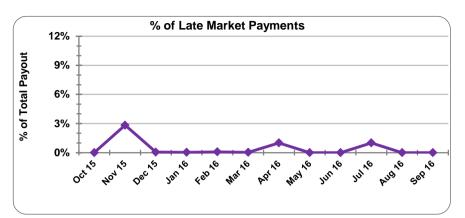
_	2016	2016		av
Expenses	Forecast	Budget	/(Ur	ıfav)
Salary & Benefits	\$88.6	\$85.2	(\$3.5)	(4.1%)
Debt Service (Principal & Interest)	34.8	34.8	(0.0)	(0.0%)
Communications & Maintenance	18.5	20.9	2.5	11.9%
Outside Services & RSC	15.1	15.1	(0.1)	(0.5%)
Administrative	4.9	5.2	0.3	5.0%
Travel & Meetings	3.0	3.4	0.4	12.7%
Gross Revenue Requirement (GRR)	\$164.9	\$164.6	(\$0.4)	(0.2%)
Revenue & Other Adjustments				
NERC Revenues *	(\$9.4)	(\$10.4)	(\$1.0)	(9.8%)
Other Revenues	(5.4)	(4.7)	0.7	13.9%
NRR Adjustments	0.5	1.1	0.6	(52.7%)
Net Revenue Requirement (NRR)	\$150.6	\$150.5	(\$0.1)	(0.1%)
* Net Impact RE Expense & NERC Funding	\$4.0	\$4.2	(\$0.2)	(5.9%)

F.1.4. Admin Fee Measurement

	SPP Administrative Fee Performance											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Approved Budget												
Net Revenue Required (millions)	\$52.8	\$61.5	\$56.5	\$68.4	\$78.4	\$89.6	\$121.8	\$132.6	\$141.2	\$150.5		
MWh Load (millions)	288.6	312.5	331.3	333.5	343.0	353.5	360.9	348.2	363.5	407.2		
NRR / MWh Load	\$0.183	\$0.197	\$0.170	\$0.205	\$0.228	\$0.253	\$0.337	\$0.381	\$0.389	\$0.370		
Approved Admin Fee	\$0.190	\$0.190	\$0.170	\$0.195	\$0.210	\$0.255	\$0.315	\$0.381	\$0.390	\$0.370		
Actual / Forecast												
Net Revenue Required (millions)	\$48.0	\$58.1	\$59.8	\$63.5	\$80.8	\$84.8	\$123.3	\$137.0	\$142.6	\$150.6		
MWh Load (millions)	301.1	296.1	328.2	331.6	341.4	361.7	357.5	351.0	373.6	393.5		
NRR / MWh Load	\$0.159	\$0.196	\$0.182	\$0.191	\$0.237	\$0.234	\$0.345	\$0.390	\$0.382	\$0.383		
Calcuated Rate Over/(Under) Budget	(\$0.024)	(\$0.001)	\$0.012	(\$0.014)	\$0.008	(\$0.019)	\$0.007	\$0.009	(\$0.008)	\$0.013		
Load Growth	5.12%	(1.65%)	10.82%	1.05%	2.96%	5.93%	(1.15%)	(1.83%)	6.46%	5.30%		
NRR (calculated rate times load)	\$48.0	\$58.1	\$59.8	\$63.5	\$80.8	\$84.8	\$123.3	\$137.0	\$142.6	\$150.6		
Admin fee collected	\$57.2	\$56.3	\$55.8	\$64.7	\$71.7	\$92.2	\$112.6	\$133.7	\$145.7	\$145.6		
Difference Over/(Under)	\$9.2	(\$1.8)	(\$4.0)	\$1.2	(\$9.1)	\$7.5	(\$10.7)	(\$3.2)	\$3.1	(\$5.1)		

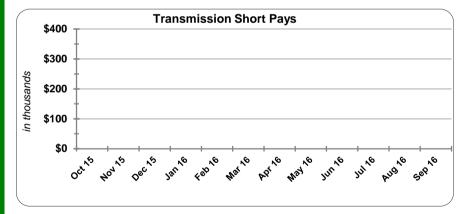
### F.2. Credit





Transmission (\$000s)	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	12 mo
Late Payments	\$0	\$996	\$47	\$932	\$3,666	\$1	\$ -	\$1,921	\$2,350	\$2,537	\$874	\$998	\$14,322
Total Payments	\$43,120	\$43,984	\$60,945	\$39,754	\$37,179	\$41,435	\$42,375	\$51,579	\$44,964	\$44,785	\$43,852	\$47,756	\$541,728
% Late Payments	0%	2%	0%	2%	10%	0%	0%	4%	5%	6%	2%	2%	3%

Market (\$000s)	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	12 mo
Late Payments	\$2	\$1,439	\$34	\$17	\$35	\$10	\$252	\$29	\$20	\$173	\$202	\$4	\$2,217
Total Payments	\$64,394	\$50,835	\$63,801	\$52,889	\$44,721	\$38,378	\$47,759	\$50,799	\$42,172	\$71,358	\$54,674	\$64,779	\$646,559
% Late Payments	0%	3%	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%	0%

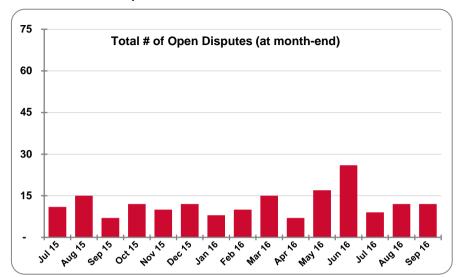


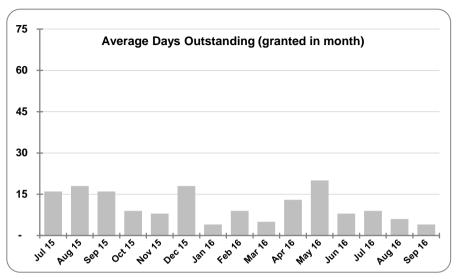


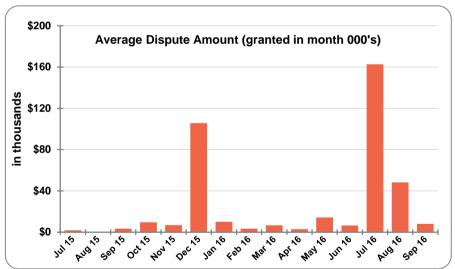
Short Pays (\$000s)	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	12 mo
Transmission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market	\$0	\$0	\$14	\$0	\$0	\$0	\$0	\$6	\$0	\$0	\$0	\$0	\$20

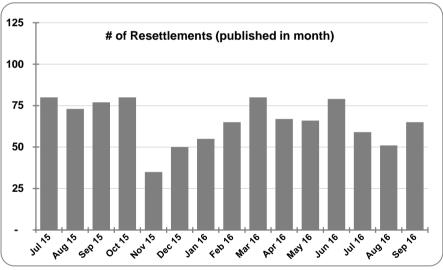
Uncollectible (\$000s)	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	12 mo
Transmission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

# F.3. Settlement Disputes





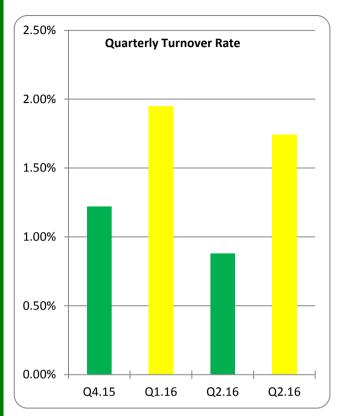




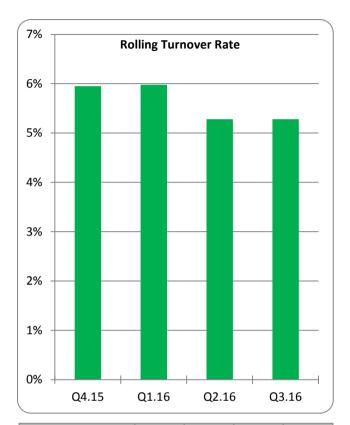
	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Total # of Open Disputes (at month-end)	11	15	7	12	10	12	8	10	15	7	17	26	9	12	12
Average Days Outstanding (granted in month)	16	18	16	9	8	18	4	9	5	13	20	8	9	6	4
Average Dispute Amount (granted in month 000's)	\$1.8	\$0.0	\$3.3	\$9.7	\$6.8	\$105.6	\$10.1	\$3.4	\$6.7	\$3.0	\$14.2	\$6.5	\$162.6	\$48.3	\$8.0
# of Resettlements (published in month)	80	73	77	80	35	50	55	65	80	67	66	79	59	51	65

# Financial Metrics

# F.4.1. Human Resources



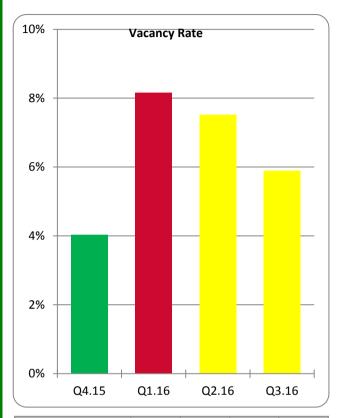
	Q4.15	Q1.16	Q2.16	Q2.16
Quarterly Turnover Rate	1.22%	1.95%	0.88%	1.74%
Separations	7	11	5	10



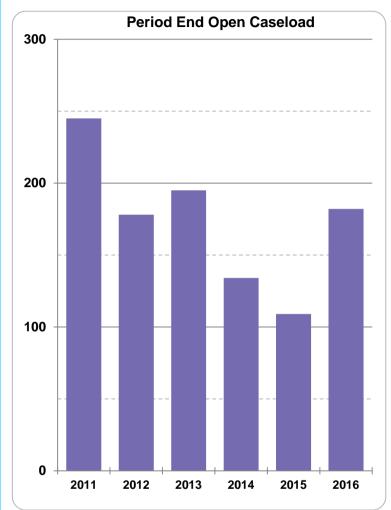
	Q4.15	Q1.16	Q2.16	Q3.16
Turnover Rate	5.95%	5.98%	5.28%	5.28%
Employees	573	563	568	575

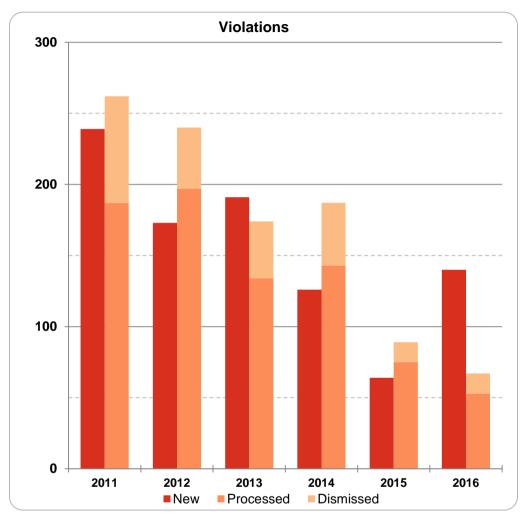
# Financial Metrics

# F.4.2 Human Resources



	Q4.15	Q1.16	Q2.16	Q3.16
Vacancy Rate	4.04%	8.16%	7.52%	5.89%
Openings	24	50	46	36

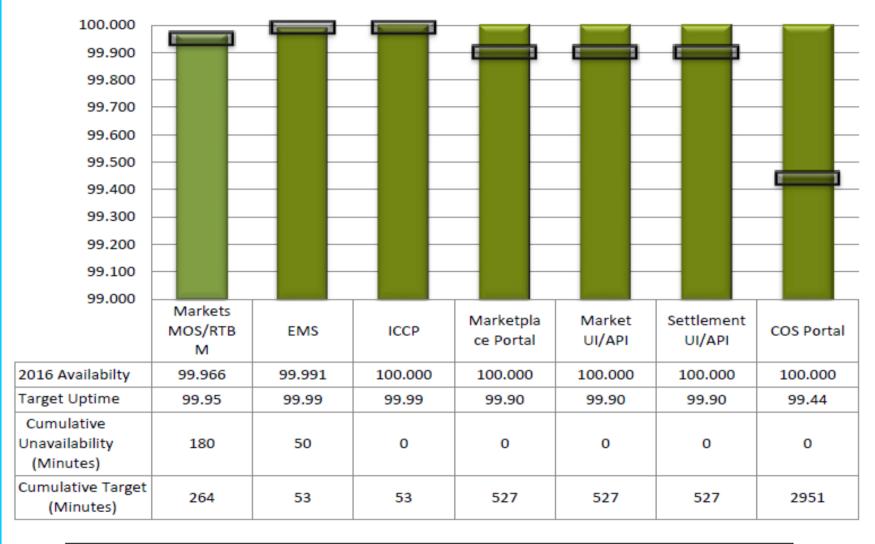




	2011	2012	2013	2014	2015	2016
Starting Caseload	268	245	178	195	134	109
New Violations	239	173	191	126	64	140
Processed by SPP RE	187	197	134	143	75	53
Dismissed by SPP RE	75	43	40	44	14	14
Ending Caseload	245	178	195	134	109	182

Cumulative Violations	687	860	1,051	1,177	1,241	1,381

# 2016 Cumulative IT Service Availability



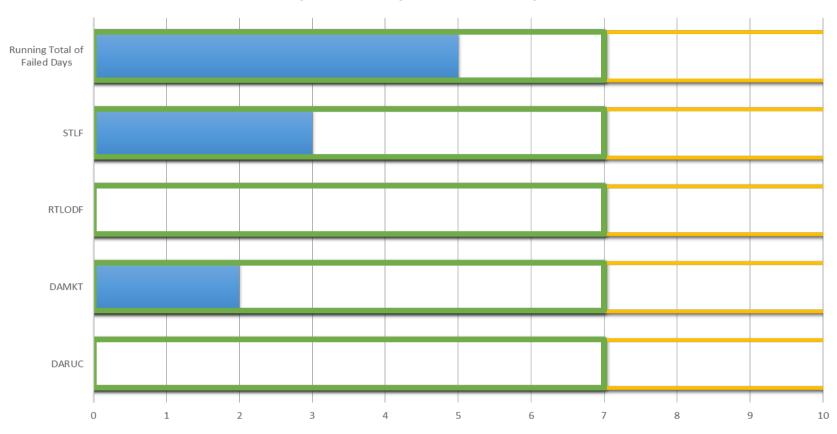
GREEN = Meets and/or Exceeds
Target Uptime

Below Target Uptime
(Severity 1 or 2)

RED = Unplanned Outage
Below Target Uptime
(Severity 3)

# P.2.2. Operational System Availability

# **Operational System Availability 2016**



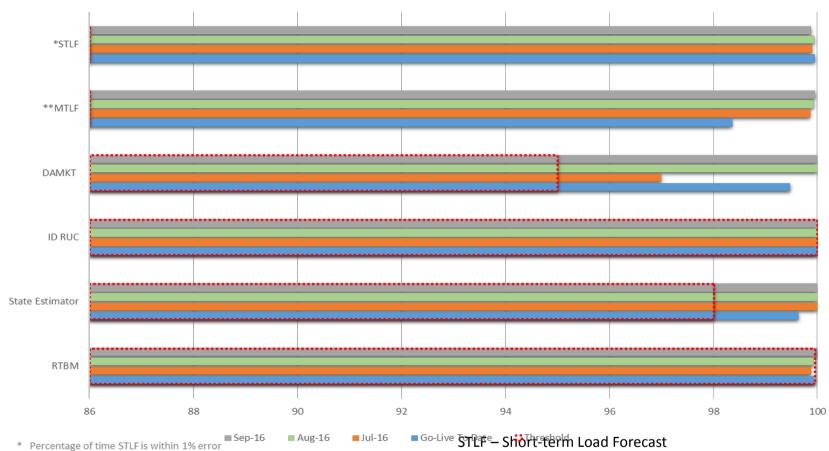
STLF - Short-term load forecast Days Failed Green Threshold Yellow Threshold

RTLODF – Real-time Line Outage Distribution Factor

DAMKT - Day-Ahead Market

DARUC - Day-Ahead Reliability Unit Commitment

# **System Availability**



\*\* Percentage of time MTLF is withing 5% error

MTLF - Mid-term Load Forecast

DAMKT - Day-Ahead Market

ID RUC – Intra-day Reliability Unit Commitment

RTBM – Real-time Balancing Market

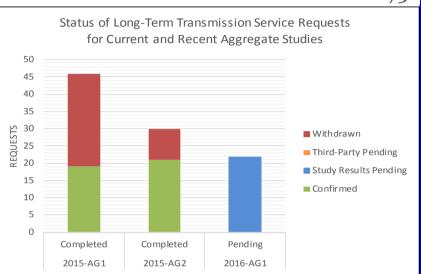
#### P.3. Transmission Service Studies

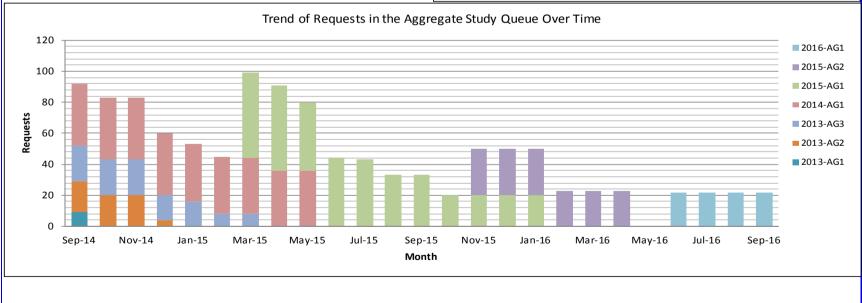
# Transmission Service Studies Dashboard Q3-2016



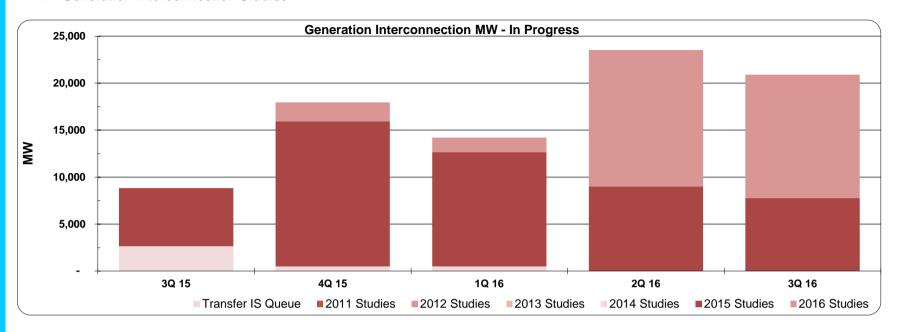
Percentage of Study Postings that Were Made	<b>@</b>		•
On-Time During the Quarter	100%	80-99%	<80%
Study Typo	Current	Prev	rious
Study Type	Q3-2016	Q2-2016	Q1-2016
Aggregate Facilities Studies	•	•	•
Delivery Point Transfer Screening Studies	0		
Long-Term Service Request Screening Studies	•	•	•

SPP must report to the commission when more than 20% of Facilities Studies (not Screening Studies) are late in two consecutive calendar quarters. SPP is subject to penalty if 10% or more are late in the following two calendar quarters after breaking the 20% late threshold.



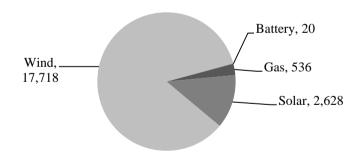


### P.4.1. Generation Interconnection Studies

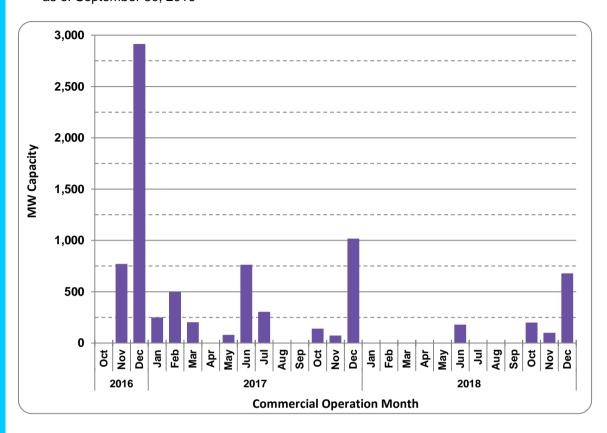


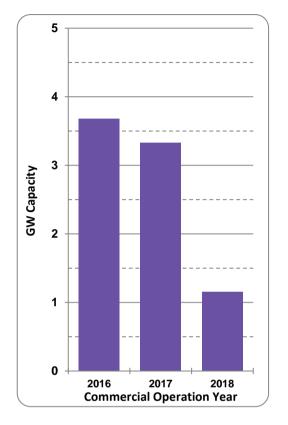
		MW			
In Progress	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16
Transfer IS Queue		496	496		
DISIS-2011-001					
DISIS-2014-001					
DISIS-2014-002	2,638				
DISIS-2015-001	5,020	2,873	2,137	1,859	604
DISIS-2015-002		10,032	9,105	7,132	7,150
DISIS-2016-001			1,130	10,847	11,099
DISIS-2016-002				80	295
PISIS-2015-001	300				
PISIS-2015-002		201	201		
PISIS-2016-001				529	528
FCS-2015-002					
FCS-2015-003	600				
FCS-2015-004	275	2,349	711		
FCS-2016-001		2,000	430		
FCS-2016-002				2,888	
FCS-2016-003				200	1,226
TOTAL	8,833	17,951	14,210	23,535	20,901

### **Active Studies by Prime Mover (MW)**



P.4.2. Schedule of Commerical Operation Dates for Upcoming Generation Interconnection Agreements as of September 30, 2016

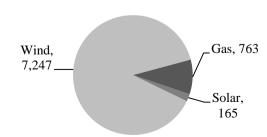




Charts above reflect Executed Generation Interconnection Agreements (GIA's) with upcoming Commercial Operation Date (COD) milestones by year and month. Data based on Queue Status of "IA Fully Executed / On Schedule",

	ww Capacity
IA Fully Executed / On Suspension	1,467.8
IA Fully Executed / On Schedule	8,174.0
Total Scheduled or Suspended Generation	9,641.8

## On Schedule by Prime Mover (MW)



### P.5. Strategic Plan

as of September 30, 2016

### Strategic Plan Assignments

Initiative Staff Stakeholders Status Reliability Assurance Capacity Margin Refinement (A) ^ Lanny MOPC (CMTF) Regional Resource Need and Value Assessment (B) Michael (Whitepaper) SPC Reliability Assessment of Environmental Rules (A) ^ Lanny MOPC (TWG) Integration of Variable Energy Resources (VERs) (C) Bruce MOPC (TF) Grid Resiliency - Cyber and Physical (A) ^ Michael MOPC (CIPWG/RCWG) MOPC (RCWG/SPCWG/EAWG) Reliability Excellence (B) Michael/Ron Ciesiel o Relay Misoperations o Event Analysis

#### Economical, Optimized Transmission System

•	Integrated Transmission Planning Check & Adjust (B) ^	Lanny	MOPC (TPITF)	
•	Cost Controls on Competitive Transmission (A)	Lanny	MOPC (CTPTF)	
•	Flexibility to Address Policy Initiatives (B)	Lanny	MOPC (TPITF)	
•	Value Pricing (B)	Paul	SPC (EXPTF)	
	o Import/Export			
	o Cost Allocation			
	Fair & Equitable Cost Allocation Policies (A) * ^	Paul	RARTF	

1 | Page 10/03/2016

\* - Item is on Plan in 2 Foundational Strategies ^- Item is also direct CEO Goal

# P.5. Strategic Plan

as of September 30, 2016

# Strategic Plan Assignments

Initiative	<u>Staff</u>	Stakeholders	<u>Status</u>
Optimize Interdependent Systems			
<ul> <li>Transmission (Seams) (A) △</li> </ul>	Carl	MOPC (SSC)	
<ul> <li>Optimize Market Efficiencies Along Seams (A)</li> </ul>	Carl	MOPC (SSC)	
<ul> <li>MISO Relationship and resolution of disputes</li> </ul>			
<ul> <li>Optimize Natural Gas Pipeline System Seams (A) △</li> </ul>	Bruce	MOPC (GECTF)	<b>—</b>
Optimize Data Seams (C)	Barbara	MOPC (CWG)	
Integrated Market Enhancements (B) ^	Carl	MOPC (MWG)	
Enhance Member Value & Affordability  Communication Strategy on Value/Affordability (A)  PMO Best Practices and Rigor (B)	Mike Michael	SPC FC/MOPC (CWG)	
Process Improvement Program support     Audits w/o unmitigated exceptions/qualification     Enhanced Market Analytics (B)     Strategic Membership Expansion (A)	s Bruce Michael/Carl/Paul	MOPC/Board SPC	
Audits w/o unmitigated exceptions/qualification     Enhanced Market Analytics (B)     Strategic Membership Expansion (A)	Bruce Michael/Carl/Paul	•	
Audits w/o unmitigated exceptions/qualification     Enhanced Market Analytics (B)     Strategic Membership Expansion (A)	Bruce	•	

2 | Page 10/03/2016

<sup>\* -</sup> Item is on Plan in 2 Foundational Strategies ^- Item is also direct CEO Goal

# **Metrics Definitions**

### **Transmission and Market Indicators**

Two groups of metrics will be monitored to provide an overall health indication of the regional transmission system and market.

- Reliability Performance Indicators, which focus on the actual operations of the transmission system and whether or not it was operated within expected limits and standards.
- Market Performance Indicators, which focus on the performance of the market in terms of overall volume, prices and level of participation.

# Reliability Performance Indicators

This sub-group of metrics is designed to measure the operations of the transmission system from a reliability perspective.

- How well-funded are Transmission Congestion Rights (TCR). (see TCR/ARR Summary)
- How much time was congested during the period. (see Congestion)
- Was the system operated in compliance with the relevant control performance standards? (see Regional Control Performance)

		, , , , , , , , , , , , , , , , , , ,
M.1	. TCR/ARR Summary	TCR/ARR funding is derived as follows:  1. Day-ahead revenue is collected daily 2. TCR holders are paid daily based on awarded TCR MW and Day-ahead clearing prices a. Uplift is charged daily b. Surpluses are redistributed Monthly and Annually 3. TCR revenue is collected daily based on TCR MW and TCR ACPs (consistent through month/season)
		4. ARR holders are paid daily based on ARR MW and TCR ACPs (consistent through month/season)  a. Uplift is charged daily  b. Surpluses are redistributed Monthly and Annually
	Congestion	<ul> <li>M.2.1. TLR / CME Time     TLR Events by level (in hours)</li> <li>Non-Firm (Level 3) – curtailment of non-firm schedules and non-firm market flow     Firm (Level 5) – curtailment of all non-firm and some firm schedules and market flow</li> <li>CME (Congestion Management Events) where loading is greater than 90% (in hours)</li> </ul>
M.2		<ul> <li>M.2.2. Congested Intervals Percent of intervals binding (flow = System Operating Limit [SOL]), breached (flow &gt; SOL) and congested (either binding or breached) during the month. Charts are included for both the Day-Ahead Market (DAMKT) and the Real-Time Balancing Market (RTBM). </li> </ul>
		<ul> <li>M.2.3. Price Contour Map</li> <li>Graphic representation of average monthly prices by load area in both the Day-Ahead Market and Real-Time Balancing Market since the start of the Integrated Marketplace.</li> <li>M.2.4. Congestion – Flowgates</li> </ul>
		<ul> <li>Congestion by flowgate ranked by average hourly shadow price in the RTBM for the last 12 months.         DA values are also included.         Table is included to show top ten most congested flowgates and any potential projects which may provide mitigation to the congestion.     </li> </ul>

		The SPP BA is not subject to CPS, but is subject to BAAL. CPS is reported here for informational purposes only. Measures the aggregate performance to the NERC CPS (Control Performance Standards) for SPP. This indicator is set based on the NERC real time control performance standards (known as BAL-001 – Real Power Balancing Control Performance and BAL-002 – Disturbance Control Performance).
М.3.	Regional Control Performance	<ul> <li>CPS1 requires compliance for 100% of the periods measured within the month.</li> <li>BAAL - each Balancing Authority shall operate such that its clock-minute average of reporting</li> <li>ACE does not exceed for more than 30 consecutive clock-minutes its clock-minute Balancing Authority ACE Limit (BAAL)</li> </ul>

# **Market Performance Indicators**

This sub-group of indicators provides a view of the effectiveness of the market in the context of answering the following questions:

- What was the average wholesale price paid in the region and what was its volatility? (see Price)
- How much Revenue Neutrality Uplift was generated during the month? (see Uplift)
- What was the level of available generation offered to the market and EIS related energy sales in the month? (see Market Liquidity)

•	<ul> <li>What was the level of available generation offered to the market and EIS related energy sales in the month? (see Market Liquidity)</li> </ul>		
M.4.1. M.4.2. M.4.3.	Price	Shows the prices and volatility for both the DAMKT and RTBM for each market participant with load within the footprint. Also provides an SPP-wide average price for the period reported. Volatility  • (measured as the coefficient of variation, which is average divided by the standard deviation) is shown for each market participant as well as SPP as a whole. A higher volatility indicates more variability in prices.	
		SPP-wide monthly average LMP and the Gas Cost at the Panhandle Eastern Pipeline hub.	
M.4.4.	RT-DA Price Deviation	<ul> <li>The Absolute Difference is the daily average of the absolute values of the hourly difference between Day-Ahead Market LMPs and Real-Time Market LMPs</li> <li>The Average Difference is the daily average of the hourly difference between Day-Ahead Market LMPs and Real-Time Market LMPs</li> <li>The Average LMP %Difference is the Absolute Difference divided by the average Day-Ahead LMP. Average Difference = (∑Day averageDayAhead LMPper settlementlocation − averageRealTime LMPper settlementlocation)</li> <li>Absolute Difference = (∑Day averageDayAhead LMPper settlementlocation − averageRealTime LMPper settlementlocation  )</li> <li>Absolute Difference = (Average LMP % Difference = averageDayAhead LMPper settlementlocation)</li> </ul>	
M.5.1.	Uplift	Tracks amount of RNU (Revenue Neutrality Uplift) charged or credited to market participants during the month, along with the category of uplift. RNU ensures settlement payments/receipts for each settlement interval equal zero.  • Positive RNU - SPP receives insufficent revenue and collects from market participants.  • Negative RNU - SPP receives excess revenue, which must be credited back to market participants.  Tracks Make Whole Payments (MWP) for both the Day-Ahead Market and the RUC (Real-Time) with payments broken down by Fuel Type of the generation receiving the MWP.	

M.5.2.	MWP Distribution	<ul> <li>The All-in Price cost of each MW is broken down into different components associated with different product or cost distribution.</li> <li>The DA MWP and RUC MWP make up the MWP distribution per MWh paid out as component of all-in cost for each MW of energy.</li> </ul>
M.6.	Virtual Activity	<ul> <li>The Cleared Virtual Profitability is the daily average of the hourly DA LMP minus the hourly averaged RT LMP multiplied by the cleared virtual transactions from DA and all divided by the absolute value of the total cleared virtual transactions from DA.</li> <li>The Monthly Market Index is the monthly average of the cleared virtual profitability.</li> <li>Volume of Cleared MWh is the daily average of the total cleared virtual transactions in DA.</li> </ul>
M.7.1.	Excess Capacity	<ul> <li>Excess Capacity is calculated as the MW capacity remaining (on dispatchable resources) that is not being dispatched for energy or reserved for online operating reserves (Reg Up, Spin, Online Supplemental). This Excess Capacity is calculated for each unit for every hour and that excess capacity is assigned to a "Commitment Source" that represents where the unit's commitment actually came from. Only excess capacity from the hour of the daily peak generation obligation (averaged by month) is considered. The final chart only includes those additional commitment changes made by SPP outside of DAMKT or MP-initiated decisions.</li> <li>Excess Capacity = Effective Max – Dispatch MW – Cleared Reg Up – Cleared Spin – Cleared</li> </ul>
M.7.2.	Source of Commitment	<ul> <li>Online Supplemental</li> <li>Commitments are determined and separated into 5 different cases SELF, MANUAL, ID_RUC, DA_RUC and DAMKT and are taken from the Current Operating Plan table.</li> <li>Depending on the process the commitment is made, they are categorized into groups.</li> <li>For the purpose of the Metrics on the dashboard, the DA_RUC, DAMKT and DBDA commitments are considered DA commitments fulfilling Real-Time obligation.</li> </ul>

# **Financial Metrics**

This group of metrics provides a view of the organization's overall financial situation in terms of both the operating costs and settlement functions carried out.

I his group of metrics provides a view of the organization's overall financial situation in terms of both the operating costs and settlement functions carried out.			
F.1.	Admin Fee Performance	Measures actual costs incurred by SPP on an annual basis and compares this to the approved Admin Fee and Budgeted Net Revenue Requirement (NRR).	
F.2.	Credit	Metric measures the timeliness of the financial settlements for both transmission billing and market billing and provides a proxy for the strength of the organization's cash flow.	
F.3.	Settlement Disputes	Measures the number and value of disputes made with regard to the financial settlements of the markets. The objective in this area is twofold: (1) minimize the time to clear disputes; and (2) minimize the total value of dollars in dispute.  • The average dispute amount granted in the month.  • The number of disputes active at the end of the month, as well as the average days outstanding for those disputes is calculated. In addition, the number of resettlements during the month is tracked.	
F.4.	. Human Resources	Measures turnover rates, as well as the number of position vacancies, for each quarter.  • Turnover rates, on a quarterly basis, as well as annualized.	
		Percentage of positions vacant on a quarterly basis.	

# **Performance Metrics**

The metrics in this group focus on NERC Compliance, System Availability, Studies and the Strategic Plan.

The metrics in this group focus on NERC Compliance, System Availability, Studies and the Strategic Plan.			
P.1.	SPP RE Compliance	Measures SPP Regional Entity compliance of all NERC standards. Metrics track the active caseload, as well as new possible violations and the disposition of reported violations.	
P.2.1.	IT System Availability	Measures availability of SPP IT Systems.	
P.2.2.	Operational System Availability	<ul> <li>STLF – This includes a count of days that the STLF Error has exceeded 1% as of October 2015.</li> <li>DAMKT - This portion of the graph includes a count of days that the DAMKT closed past the deadline as of October 2015.</li> <li>DARUC – This portion of the graph includes a count of days that DARUC failed to solve within 4 hours of DAMKT Posting as of October 2015.</li> <li>SE/RTLODF - This portion of the graph shows a count of days that the SE solution failed to solve every 4 seconds as of October 2015.</li> <li>The metric indicator will be green if the failure counts falls between 0 &amp; 7. The metric indicator will fall in the yellow category if the count falls between 8 &amp; 14</li> </ul>	
P.2.3.	System Availability	<ul> <li>MTLF - Percentage of time that the Mid-Term Load Forecast Error (Actual Load vs MTLF) was within 5% for each of the three previous months as well as from Go-Live to Date.</li> <li>STLF - Percentage of time the Short-Term Load Forecast error (Actual Load vs STLF) was within 1% for each of the three previous months as well as from Go-Live to Date</li> <li>Day Ahead Market – This portion of the graph shows the percentage of time that the DAMKT closed on time for each of the three previous months as well as from Go-Live to Date.</li> <li>Intra Day RUC – This portion of the graph shows the percentage of time that IDRUC studies successfully ran every four hours for each of the three previous months as well as from Go-Live to Date.</li> <li>State Estimator – This portion of the graph shows the percentage of time that there was a SE solution every four seconds for each of the three previous months as well as from Go-Live to Date.</li> <li>Real Time Balancing Market – This portion of the graph shows the percentage of time that RTBM solved and approved successfully every five minutes for each of the three previous months as well as from Go-Live to Date.</li> </ul>	

P.3.	Transmission Service Studies	Dashboard showing status of transmission service studies.
P.4.	Generation Interconnection Studies	Tracks status of Generation Interconnection Studies by MW, as well as upcoming commercial operation dates for Generation Interconnection Agreements.
P.5.	Strategic Plan	Tracks status of Strategic Plan initiatives and assignments.



SPP Tariff/Governing Document Revisions		
Docket Number	<b>Short Description</b>	Summary
ER12-1179	Submission of Tariff Revisions to Implement SPP Integrated Marketplace	On August 31, 2016, SPP submitted a supplement to its 15 Month Informational Report on the Integrated Marketplace.
ER13-366	Submission of Tariff Revisions to Comply with Order No. 1000 Regional Planning and Cost Allocation Requirements	On July 1, 2016, the U.S. Court of Appeals issued an opinion denying the Petition for Review in Case No. 14-1281.
and	1	
ER13-367	Submission of Revisions to its Membership Agreement to Comply with Order No. 1000	
14-1281 (U.S. Court of Appeals)	Oklahoma Gas and Electric Company ("OG&E") v. Federal Energy Regulatory Commission ("FERC") Concerning Orders Issued in Docket Nos. ER13-366 and ER13-367 Regarding SPP's Order No. 1000 Regional Compliance Filings	
15-1157 (U.S. Court of Appeals)	LSP Transmission Holdings, LLC and LS Power Transmission, LLC v. Federal Energy Regulatory Commission ("FERC") Concerning Orders Issued in Docket Nos. ER13-366 and ER13-367 Regarding SPP's Order No. 1000 Regional Compliance Filings	
ER14-2850	Submission of Tariff Revisions to Facilitate the Integration of Western Area Power Administration - Upper Great Plains Region ("Western-UGP"), Basin Electric Power	On August 26, 2016, the parties filed initial briefs in Docket Nos. ER14-2850 and ER14-2851 regarding the carve-out treatment of the 1977 Contract as outlined in Article 2 of the Joint Offer of Partial Settlement Agreement filed on March 24, 2016, which was intended to resolve all issues raised by Missouri River Energy Services, Basin Electric Power Cooperative, and Heartland Consumers Power District in this proceeding. Reply briefs were filed on September 15, 2016.



SPP Tariff/Governing Document Revisions		
Docket Number	Short Description	Summary
	Cooperative ("Basin Electric"), and Heartland Consumers Power District ("Heartland")	On August 30, 2016, FERC filed its Brief in Case No. 15-1447.  On September 6, 2016, Western Area Power Administration filed its Brief of Intervenor in Support of
	(collectively the "IS Parties"), which Jointly Own and Operate	Respondent in Case No. 15-1447.
	the Integrated System, into the SPP Regional Transmission Organization ("RTO")	On September 6, 2016, SPP, Basin Electric Power Cooperative, and Heartland Consumers Power District filed their Joint Brief of Intervenors in Support of Respondent in Case No. 15-1447.
and		On September 20, 2016, the Kansas Corporation Commission filed its Reply Brief in Case No. 15-1447.
ER14-2851	Submission of Bylaws and Membership Agreement Revisions	
15-1447	State Corporation Commission	
(U.S. Court of Appeals)	of the State of Kansas ("KCC") v. Federal Energy Regulatory	
	Commission ("FERC"): Petition	
	for Review of Orders Issued in	
	Docket Nos. ER14-2850 and	
	ER14-2851 Concerning	
	Integration of the Integrated System into the SPP Regional	
	Transmission Organization	
ER15-2347	Contract Services Agreement	On August 22, 2016, SPP filed an Offer of Settlement intended to resolve all issues in this proceeding
	Between Southwest Power Pool,	involving the Contract Services Agreement between SPP and Western Area Power Administration.
	Inc. and Western Area Power Administration	On October 3, 2016, FERC issued an order approving the Offer of Settlement filed on August 22, 2016.
ER16-13	Submission of Tariff Revisions Regarding Annual Auction Revenue Right ("ARR") Allocation	On July 21, 2016, FERC issued an order accepting SPP's compliance filing submitted on March 21, 2016, subject to condition. SPP was directed to submit a further compliance filing to remove references to Section 7.7(1)(c) in Attachment AE Sections 7.7(2)(b) and 7.7(2)(c).
		On August 4, 2016, SPP submitted its compliance filing in response to the order issued on July 21, 2016. An effective date of January 28, 2016 was requested.



SPP Tariff/Governing Document Revisions		
Docket Number	Short Description	Summary
ER16-791	Submission of Tariff Revisions for Allocation of Revenues Resulting from the Settlement Agreement in Commission Docket No. EL11-34-002, et al.	On July 21, 2016, FERC issued an order granting in part, and denying in part, SPP's Motion for Clarification filed on May 13, 2016. FERC found that withholding the Settlement Revenues from those non-jurisdictional Members that did not commit to payment of refunds will prevent SPP from being in a situation where it cannot obtain refunds from those non-jurisdictional Members in the event that the allocation methodology changes as a result of the hearing and settlement judge procedures, and therefore, granted SPP's motion with respect to withholding the Settlement Revenues.
		FERC denied SPP's motion for clarification with respect to withholding the Settlement Revenues from the non-jurisdictional Members who did not sign the refund commitment, without interest. Therefore, FERC directed that the Settlement Revenues withheld by SPP pursuant to this order be paid to the non-jurisdictional Members with actual interest earned, upon a final Commission order resolving the issues set for hearing and settlement judge procedures in this proceeding.
ER16-829	Submission of Revisions to Bylaws Section 8.4 Monthly Assessments	A Settlement Conference was held on September 29, 2016.  On July 6, 2016, SPP filed a Motion for Limited Extension of Time to Comply with the order issued on June 24, 2016. SPP requested an extension to and including August 24, 2016 to issue refunds, and an extension to and including September 22, 2016 to submit a refund report.
		On September 22, 2016, SPP submitted its refund report in response to the Order on Bylaw Revisions and Requests for Waiver issued by the Commission on June 24, 2016.
ER16-1086	Submission of Tariff Revisions to Provide for Netting of Transmission Congestion Rights ("TCRs") Credit Portfolio	On July 5, 2016, FERC issued an Order Granting Rehearing for Further Consideration of the order issued on May 3, 2016.
ER16-1286	Submission of Tariff Revisions to Clarify Redispatch Provisions	On July 25, 2016, SPP filed its response to the letter requesting additional information issued on May 27, 2016.
EL16-110	Section 206 Proceeding to Consider whether to Require SPP to Limit the Eligibility for Auction Revenue Rights	On September 23, 2016, FERC issued an order accepting in part, and rejecting in part, effective May 29, 2016, SPP's tariff revisions to modify redispatch provisions by removing language rendered obsolete as a result of the operation of SPP's Integrated Marketplace and to add language that more accurately sets forth eligibility for Candidate ARRs when redispatch is required for the requested service.
	("ARRs") and Long-Term Congestion Rights ("LTCRs") for Network Service Subject to Redispatch so that Such Service	FERC found that the proposed revisions to section 34.6 of the Tariff as it pertains to network service to redispatch have not been shown to be just and reasonable, and not unduly discriminatory or preferential, and therefore were rejected.
	is Treated Comparably with	FERC instituted a section 206 proceeding in Docket No. EL16-110 to consider whether to require SPP to



Docket Number	Short Description	Summary
200000	Point-To-Point Transmission Service Subject to Redispatch with Respect to ARR and LTCR Eligibility	limit the eligibility for ARRs and LTCRs for network service subject to redispatch so that such service is treated comparably with point-to-point transmission service subject to redispatch with respect to ARR and LTCR eligibility.  Initial Briefs in Docket No. EL16-110 are due on October 31, 2016. Reply Briefs are due on November
		21, 2016.  The refund effective date is September 29, 2016.
ER16-1341	Petition of Southwest Power Pool, Inc. for Tariff Waiver Concerning the Crediting Process in Attachment Z2	On July 7, 2016, FERC issued an order granting SPP's Petition for Tariff Waiver requesting that the Commission waive certain provisions of SPP's Open Access Transmission Tariff necessary for the implementation of the revenue crediting process in Attachment Z2 for the historical period due to SPP's delayed development of the necessary software.
		On September 6, 2016, FERC issued an Order Granting Rehearings for Further Consideration of the order issued on July 7, 2016.
ER16-1912	Submission of Tariff Revisions to Clarify Language Regarding Out-of-Merit Energy	On July 28, 2016, FERC issued a letter requesting additional information in order to process the filing.  On September 6, 2016, SPP filed its responses to the letter requesting additional information issued on July 28, 2016.
ER16-2330	Petition for Tariff Waiver to Provide the Option of a Payment Plan to Entities Impacted by SPP's Implementation of the	On July 29, 2016, SPP filed a petition requesting that the Commission waive certain provisions of SPP's Tariff necessary to provide the option of a payment plan to entities impacted by SPP's implementation of the revenue crediting process in Attachment Z2.
	Revenue Crediting Process in Attachment Z2 of SPP's Open Access Transmission Tariff ("Tariff")	On September 30, 2016, FERC issued an order granting SPP's Petition for Tariff Waiver.
ER16-2660	Submission of Tariff Revisions Modifying Schedule 1-A to Increase the Rate Cap for the	On September 23, 2016, SPP submitted revisions to Scheduled 1-A of the Tariff in order to increase the rate cap for its Tariff Administration service charge.
	Tariff Administration Service Charge	An effective date of January 1, 2017 was requested.



Other Filings of	Interest	
Docket Number	Short Description	Summary
ER13-1864	Joint Operating Agreement ("JOA") between SPP and the Midcontinent Independent System Operator, Inc. ("MISO") to Include Market-to-Market ("M2M") Terms and Conditions (SPP Rate Schedule FERC No. 9)	On July 22, 2016, SPP filed is third informational report regarding Interface Bus Pricing and a Day-Ahead Firm Flow Entitlement exchange process concerning market-to-market coordination with the Midcontinent Independent System Operator, Inc.  SPP's next informational report is due on January 20, 2017.
ER16-1799	Submission of Revisions to the Joint Operating Agreement ("JOA") between SPP and the Midcontinent Independent System Operator, Inc. ("MISO") to Revise the Baseline Congestion Management Process (SPP Rate Schedule FERC No. 9)	On July 19, 2016, FERC issued an order accepting SPP's revisions to the JOA between SPP and MISO to revise the baseline Congestion Management Process to implement several substantive changes.  An effective date of July 25, 2016 was granted.  This order constitutes final agency action.
EL16-91	Section 206 Proceeding to Examine SPP's Open Access Transmission Tariff ("Tariff") and Absence of Refund Commitment for Non-Public Utility Transmission Owners to Refund Revenues that they May Receive Associated with Service Provided due to their Status as Transmission-Owning Regional Transmission Organization ("RTO") Members in the Same Manner Public Utility Transmission Owners Could be Required to Provide Refunds of	On July 21, 2016, FERC issued an order instituting a Federal Power Act section 206 proceeding to examine SPP's Tariff. The order found that SPP's Tariff may be unjust and unreasonable because it does not include a refund commitment requiring non-public utility transmission owners to refund revenues that they may receive associated with service provided due to their status as transmission-owning RTO members, in the same manner that public utility transmission owners could be required to provide refunds of such revenues.  SPP and other interested parties are required to file initial briefs no later than 30 days after the publication of notice in the Federal Register. Parties may also file Reply Briefs within 21 days after the due date of Initial Briefs.  The refund date is July 28, 2016. The Commission expects to issue an order by March 31, 2017.  On August 16, 2016, FERC issued a Notice of Extension of Time to and including October 21, 2016 to file initial briefs and November 18, 2016 to file reply briefs.
ES16-50	Such Revenues  Application of Southwest Power Pool, Inc. Under Section 204 of the Federal Power Act for an	On August 5, 2016, SPP filed an application for authorization of the issuance of up to \$30,000,000 in non-secured Promissory Notes.



Other Filings of Interest		
Docket Number	Short Description	Summary
	Order Authorizing the Issuance	On September 28, 2016, FERC issued an order approving SPP's application for authorization of the
	of Securities of up to	issuance of up to \$30,000,000 in non-secured Promissory Notes. SPP must file a Report of Securities
	\$30,000,000	within 30 days after the sale or placement of the Notes. This authorization expires on September 30,
		2018.



<b>State Cases</b>		
Docket Number	Short Description	Summary
Arkansas 16-002-U	In the Matter of Arkansas Electric Cooperative Corporation's ("AECC") Application for Approval to Transfer Control of Electric Transmission Facilities to the Southwest Power Pool, Inc. ("SPP") Regional Transmission Organization ("RTO")	On July 7, 2016, Robert Shields filed Compliance Testimony and Exhibits to propose amendments to AECC's Transmission of Electricity by Others and RTO Market Administration, Monitoring, and Compliance Services Rider ("TO/RTO Rider").  On August 1, 2016, the APSC issued Order No. 6, approving the revised TO/RTO Rider filed on July 7, 2016.
Kansas 17-WSEE-063-STG	In the Matter of the Application of Westar Energy, Inc. ("Westar") for a Siting Permit for the Construction of a 345 kV Transmission Line in Leavenworth County, Kansas	On August 17, 2016, Westar filed its Application for a siting permit granting Westar the right to construct a 345 kV transmission line from Westar's Stranger Creek Substation to an interface with Kansas City Power & Light Company's transmission line, located north of Leavenworth, Kansas.  On August 25, 2016, the KCC issued an Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule. The order was amended on August 30, 2016.  On September 1, 2016, SPP filed a Petition to Intervene.  On September 16, 2016, SPP filed the Direct Testimony of Antoine Lucas.  The evidentiary hearing is scheduled to commence on November 8, 2016.
Missouri EO-2012-0135	In the Matter of the Application of Kansas City Power & Light Company ("KCPL") for Authority to Extend the Transfer of Functional Control of Certain Transmission Assets to the Southwest Power Pool, Inc.	On August 22, 2016, KCPL and KCPL-GMO filed a Motion to Modify Stipulations to relieve the companies of their obligation to conduct studies for and file the 2017 Interim Report.  On September 14, 2016, the MoPSC issued an order granting the motion to modify the requirements in stipulations and agreements so that the companies are no longer required to perform an analysis and produce a 2017 Interim Report.
EO-2012-0136	In the Matter of the Application of KCP&L Greater Missouri Operations Company ("KCPL-GMO") for Authority to Extend the Transfer of Functional Control of Certain Transmission Assets to the Southwest Power Pool, Inc.	



State Cases		
Docket Number	Short Description	Summary
Texas 45633	Project to Identify Issues Pertaining to Lubbock Power & Light's Proposal to Become Part of the Electric Reliability Council of Texas ("ERCOT")	On September 15, 2016, SPP and ERCOT submitted a response to the PUCT's request for coordinated studies of the impact of the proposed transition of the Lubbock Power & Light system from the SPP region into the ERCOT region. SPP and ERCOT committed to complete studies before the end of the second quarter of 2017.
Texas 46042	Application of Southwestern Public Service Company ("SPS") to Amend a Certificate of Convenience and Necessity for a 345-kV Transmission Line within Hale, Hockley, Lubbock, Terry and Yoakum Counties	On August 22, 2016, SOAH Order No. 1, Notice of Prehearing Conference, Jurisdiction, Deadline for Intervention, Caution to Interested Parties, Suspending Traditional Service, and General Procedures, was issued.  On September 13, 2016, SOAH Order No. 2, Memorializing Prehearing Conference, Adopting Procedural Schedule, Notice of Hearing on the Merits, Reminder of Suspension of Traditional Service, and Description of Procedures, was issued.
		On September 15, 2016, SPP filed a Motion to Intervene Out of Time.



Date	Event	Location
	Hosted Arkansas Governor Asa Hutchinson at the SPP corporate	
7/28/2016	campus for a briefing and tour	Little Rock, AR
9/12/2016 -	Hosted SPP's annual Government Affairs Conference in Washington,	
9/13/2016	DC for member companies. Speakers included Members of Congress	Washington, DC
	Hosted Kylah McNabb from the Oklahoma Department of Energy and	
9/21/2016	Environment at the SPP corporate campus for a briefing and tour	Washington, DC
9/27/2016	Meetings with all three CFTC Commissioners	Washington, DC



FERC	Compliance Filing is due to revise the pro forma Generator Interconnection Agreement pursuant to Order Nos. 827 and 828 (Order No. 827 issued on June 16, 2016; Order No. 828 issued on July 21, 2016; Notice of Extension of Compliance Dates issued on August 8, 2016)	10/14/2016
RM16-1		
FERC	Compliance Filing is due to revise the pro forma Generator Interconnection Agreement pursuant to Order Nos. 827 and 828 (Order No. 827 issued on June 16, 2016; Order No. 828 issued on July 21, 2016; Notice of Extension of Compliance Dates issued on August 8, 2016)	10/14/2016
RM16-8		
State of Kansas	Staff and Intervenor Direct Testimony and Responsive Testimony to Public Comments are due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	10/14/2016
17-WSEE-063-STG		
FERC	Natural Gas and Electric Industries, through NAESB, to file a report on the development of standards related to faster, computerized scheduling (Order on Rehearing issued on September 17, 2015)	10/17/2016
RM14-2		
FERC	Last date for discovery requests (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	10/17/2016
ER16-204		
United States Court of Appeals	Final Briefs are due (Order issued on April 18, 2016)	10/18/2016
15-1447		
FERC	Initial Briefs are due (Order Instituting Section 206 Proceeding and Commencing Paper Hearing Procedures and Establishing Refund Effective Date issued on July 21, 2016; Notice of Extension of Time issued on August 16, 2016)	10/21/2016
EL16-91		
FERC	Last date for discovery responses (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	10/24/2016
ER16-204		
FERC	Compliance Filing is due to revise section 8.8 of Attachment 1 of the Network Integration Transmission Service Agreement between Kansas Power Pool and SPP, and also to remove Attachment A to the agreement (Order issued on September 23, 2016)	10/24/2016

Page 1 of 6



FERC	Compliance Filing is due to revise the pro forma Generator Interconnection Agreement pursuant to Order Nos. 827 and 828 (Order No. 827 issued on June 16, 2016; Order No. 828 issued on July 21, 2016; Notice of Extension of Compliance Dates issued on August 8, 2016)	10/14/2016
RM16-1		
FERC	Compliance Filing is due to revise the pro forma Generator Interconnection Agreement pursuant to Order Nos. 827 and 828 (Order No. 827 issued on June 16, 2016; Order No. 828 issued on July 21, 2016; Notice of Extension of Compliance Dates issued on August 8, 2016)	10/14/2016
RM16-8		
State of Kansas	Staff and Intervenor Direct Testimony and Responsive Testimony to Public Comments are due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	10/14/2016
17-WSEE-063-STG		
FERC	Natural Gas and Electric Industries, through NAESB, to file a report on the development of standards related to faster, computerized scheduling (Order on Rehearing issued on September 17, 2015)	10/17/2016
RM14-2		
FERC	Last date for discovery requests (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	10/17/2016
ER16-204		
United States Court of Appeals	Final Briefs are due (Order issued on April 18, 2016)	10/18/2016
15-1447		
FERC	Initial Briefs are due (Order Instituting Section 206 Proceeding and Commencing Paper Hearing Procedures and Establishing Refund Effective Date issued on July 21, 2016; Notice of Extension of Time issued on August 16, 2016)	10/21/2016
EL16-91		
FERC	Last date for discovery responses (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	10/24/2016
ER16-204		
FERC	Compliance Filing is due to revise section 8.8 of Attachment 1 of the Network Integration Transmission Service Agreement between Kansas Power Pool and SPP, and also to remove Attachment A to the agreement (Order issued on September 23, 2016)	10/24/2016

Page 1 of 6

SPP ST Anniversary
75

ER16-1314		
FERC	Settlement Conference begins at 1:30 PM Eastern Time (Order Scheduling Settlement Conference issued on August 23, 2016; Order Rescheduling Settlement Conference issued on October 3, 2016)	10/27/2016
ER15-1775		
FERC	Settlement Conference begins at 10 AM Eastern Time (Order Scheduling Settlement Conference issued on September 16, 2016)	10/27/2016
ER15-2115		
FERC	Settlement Conference begins at 2 PM Eastern Time (Order Scheduling Settlement Judge Conference issued on October 5, 2016)	10/27/2016
ER16-209		
State of Kansas	Westar Rebuttal Testimony to Staff and Intervenor Direct Testimony, and Response to Public Comments are due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	10/28/2016
17-WSEE-063-STG		
FERC	Joint Witness List, Joint Exhibit List, Joint Statement of Stipulated Facts and Joint Statement of Contested Facts are due (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	10/31/2016
ER16-204		
FERC	Initial Briefs are due (Order issued on September 23, 2016)	10/31/2016
EL16-110		
State of Kansas	Pre-hearing Conference (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	11/01/2016
17-WSEE-063-STG		
State of Kansas	Prehearing Motion and Discovery Cutoff and Disputed Issues List due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	11/01/2016
17-WSEE-063-STG		
FERC	Compliance Filing due to modify the tariff to reflect the terms of the Joint Offer of Settlement (Order issued on October 4, 2016)	11/03/2016
ER15-1777		

Page 2 of 6

SPP
75

FERC	Compliance Filing due to modify the tariff to reflect the terms of the Joint Offer of Settlement (Order issued on October 4, 2016)	11/03/2016
ER15-1976		
FERC	Compliance Filing due to modify the tariff to reflect the terms of the Offer of Settlement (Order issued on October 4, 2016)	11/03/2016
ER15-2075		
FERC	Hearing commences (Errata to Order Scheduling Prehearing Conference issued on April 25, 2016)	11/07/2016
ER16-204		
FERC	Post-Technical Conference Comments are due regarding implementation issues related to the Public Utility Regulatory Policies Act of 1978 (Notice Inviting Post-Technical Conference Comments issued on September 6, 2016)	11/07/2016
AD16-16		
State of Kansas	Evidentiary Hearing (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	11/08/2016
17-WSEE-063-STG		
FERC	Technical Conference begins at 10 AM Eastern Time to discuss the utilization of electric storage resources as transmission assets compensated through transmission rates, for grid support services that are compensated for in other ways, and for multiple services (Notice of Technical Conference issued on September 30, 2016)	11/09/2016
AD16-25		
State of Texas	Technical/Settlement Conference to be held (SOAH Order No. 2 issued on September 13, 2016)	11/15/2016
46042		
FERC	Reply Briefs are due (Order Instituting Section 206 Proceeding and Commencing Paper Hearing Procedures and Establishing Refund Effective Date issued on July 21, 2016; Notice of Extension of Time issued on August 16, 2016)	11/18/2016
EL16-91		
State of Kansas	Simultaneous Initial Briefs are due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	11/18/2016
17-WSEE-063-STG		

Page 3 of 6



FERC	Reply Briefs are due (Order issued on September 23, 2016)	11/21/2016
EL16-110		
FERC	Settlement Conference to be held (Order Scheduling Settlement Judge Conference issued on October 4, 2016)	11/21/2016
ER16-1774		
State of Kansas	Simultaneous Responsive Briefs are due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	11/23/2016
17-WSEE-063-STG		
FERC	Comments are due in response to the Notice of Proposed Rulemaking proposing to approve Reliability Standards BAL-005-1 (Balancing Authority Control) and FAC-001-3 (Facility Interconnection Requirements) submitted by the North American Electric Reliability Corporation (Notice of Proposed Rulemaking issued on September 22, 2016)	11/28/2016
RM16-13		
FERC	Comments due in response to the Notice of Inquiry seeking to explore whether, and if so, how, the Commission should revise its current approach to identifying and assessing market power in the context of transactions under section 203 of the Federal Power Act and applications under section 205 of the Federal Power Act for market-based rate authority for wholesale sales of electric energy, capacity and ancillary services by public utilities. The Commission also seeks comment related to its scope of review under section 203 of the Federal Power Act, including revisions to blanket authorizations (Notice of Inquiry issued on September 22, 2016)	11/28/2016
RM16-21		
FERC	SPP to file its Annual Budget in FERC Docket Nos. ER04-48, ER08-1338, RT04-1	12/01/2016
ER08-1338		
FERC	Transcript Corrections are due (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	12/01/2016
ER16-204		
State of Texas	Intervener Direct Testimony or Statement of Position is due (SOAH Order No. 2 issued on September 13, 2016)	12/06/2016
46042		
FERC	Comments due in response to the notice seeking comments on proposed revisions to the Electric Quarterly Reporting requirements (Notice issued on September 22, 2016)	12/06/2016

Page 4 of 6



FERC	Initial Briefs are due (Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	12/14/2016
ER16-204		
FERC	Informational Report due to explain SPP's ongoing efforts to further improve gas-electric coordination, including efforts to improve solve times. The report should also identify whether any natural gas fired generators within SPP experienced any operational challenges related to gas-electric coordination issues, and identify what actions SPP undertook to mitigate such events (Order Accepting Compliance Filing issued on December 17, 2015)	12/16/2016
ER15-2377		
State of Texas	Objections to Intervenor Direct Testimony are due (SOAH Order No. 2 issued on September 13, 2016)	12/19/2016
46042		
State of Texas	Intervenor Cross-Rebuttal Testimony is due (SOAH Order No. 2 issued on September 13, 2016)	12/19/2016
46042		
State of Kansas	Final order is due (Order Designating Prehearing Officer; Discovery and Protective Order; and Adoption of Procedural Schedule issued on August 25, 2016)	12/22/2016
17-WSEE-063-STG		
FERC	Reply Briefs are due (Errata to Order Scheduling Prehearing Conference issued on April 25, 2016; Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	01/09/2017
ER16-204		
State of Texas	Replies to objections to Intervenor Direct Testimony and Objections to Intervenor Cross-Rebuttal Testimony are due (SOAH Order No. 2 issued on September 13, 2016)	01/09/2017
46042		
FERC	Each RTO/ISO shall submit a compliance filing with settlement reform becoming effective 12 months later and the shortage pricing proposal become effective four months from the date of the compliance filings for implementation of reforms to shortage price triggers (Order No. 825 issued on June 16, 2016)	01/11/2017
RM15-24		
State of Texas	Staff Direct Testimony or Statement of Position is due (SOAH Order No. 2 issued on September 13, 2016)	01/11/2017

Page 5 of 6



			_
Λ1	61	1/1	′)

FERC	File Informational Report on SPP Aggregate Study (Safe Harbor Report) (April 22, 2005 Order)	01/13/2017
ER05-652		
FERC	SPP's Fourth Informational Report due detailing SPP's and MISO's progress on resolving issues related to their implementation methodologies for Interface Bus Pricing, and analyzing whether the benefits of implementation of a day-ahead firm flow entitlement exchange process outweigh its costs, until such issues are resolved (Order Conditionally Accepting in Part and Rejecting in Part Revisions to Joint Operating Agreement issued on January 22, 2015)	01/20/2017
ER13-1864		
State of Texas	Replies to objections to Staff Direct Testimony and replies to objections to Intervenor Cross-Rebuttal Testimony are due (SOAH Order No. 2 issued on September 13, 2016)	01/25/2017
46042		
State of Texas	Applicant Rebuttal Testimony is due (SOAH Order No. 2 issued on September 13, 2016)	01/25/2017
46042		
State of Texas	Deadline for sending discovery on Applicant Rebuttal Testimony, Intervenor and Staff Direct Testimony, and Intervenor Cross-Rebuttal Testimony (SOAH Order No. 2 issued on September 13, 2016)	02/02/2017
46042		
State of Texas	Deadline to file final prehearing agreement and replies to objections to Applicant Rebuttal Testimony are due (SOAH Order No. 2 issued on September 13, 2016)	02/07/2017
46042		
State of Texas	Hearing on the Merits to be held (SOAH Order No. 2 issued on September 13, 2016)	02/08/2017
46042		
FERC	Initial Decision is due (Errata to Order Scheduling Prehearing Conference issued on April 25, 2016; Order Establishing Procedural Schedule and Rules for the Conduct of Hearing issued on May 9, 2016)	02/27/2017
ER16-204		

Page 6 of 6

00000



## SPP Executive Summary – September 2016

### 2016 Over / (Under) Recovery and Cash Balances

#### Cost Recovery (\$ millions)

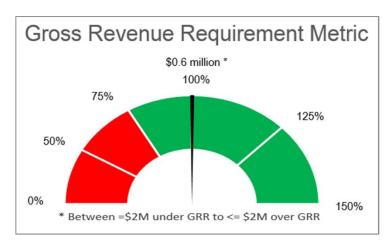
Gross Revenue Requirement (GRR) \*
Net Revenue Requirement (NRR)
Admin Fee Revenue
Over / (Under) Recovery

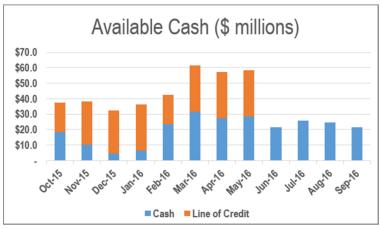
2016	2016	Fav/
Forecast	Budget	(Unfav)
\$156.3	\$155.7	(\$0.6)
150.6	150.5	(0.1)
144.8	150.7	(5.9)
(\$5.9)	\$0.2	(\$6.0)

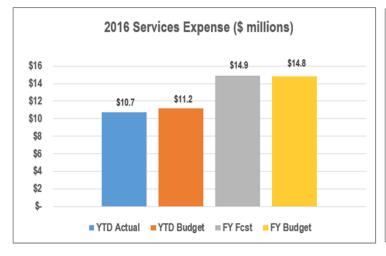
<sup>\*</sup> GRR for HR metric excludes FERC fees and Regional Entity expenses

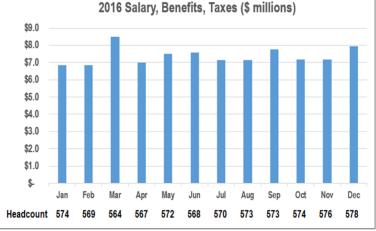
Note: Material changes from the prior month include forecast adjustments to healthcare and outside services expenses.

GRR & Available Cash, Compensation and Outside Services Expenses









#### Southwest Power Pool 2016 Financial Commentary September 30, 2016 (in thousands)

	Summary	у		
	2016 FY Forecast	2016 FY Budget	Fav/(Unfav) Variance	
Revenues	\$176,160	\$182,079	(\$5,919)	(3.3%)
Expenses	217,738	217,092	(645)	(0.3%)
Net Income/(Loss)	(\$41,577)	(\$35,013)	(\$6,564)	(18.7%)
	Revenue	)		
	2016 FY Forecast	2016 FY Budget	Fav/(Unfav) Variance	
Tariff Administration Service	\$144,763	\$150,660	(\$5,897)	(3.9%)
FERC Fees & Assessments	16,681	16,500	181	1.1%
NERC ERO Regional Entity Rev	9,409	10,432	(1,023)	(9.8%)
Miscellaneous Income	4,220	3,400	820	24.1%
Contract Services Revenue	529	498	31	6.2%
Annual Non-Load Dues	558	588	(30)	(5.1%)
Total Revenue	\$176,160	\$182,079	(\$5,919)	(3.3%)

Tariff Administrative Service trails budget as a result of differences in expected coincident peak load in 2015 for both IS (4.2 million MWh) and SPP legacy utilities (8.8 million MWh). Coincident peak load for 2015 is the basis for 2016 Schedule 1A revenues and was budgeted at 407 million MWh. The load forecast is 394 million MWh and results in an unfavorable revenue variance of \$5.9 million.

NERC ERO Regional Entity revenue is based on Regional Entity (RE) budgeted expenditures and anticipated pass-thru expenses for SPP resources outside the RE. The primary drivers of the variance reside in compensation and outside services. Although the budget assumed the RE would be fully staffed at the beginning of the year, currently four positions are vacant. These positions are expected to remain open through much of the year causing RE expenses and associated NERC revenues to trail budget. The net impact is \$0.2 million unfavorable.

MISO settlement agreement revenues were budgeted in Tariff Administrative Service account, but are recorded in <u>Miscellaneous Income</u> (\$0.3 million). Engineering studies revenue exceeds budget to date and also contributes to the favorable variance (\$0.5 million).

#### Southwest Power Pool 2016 Financial Commentary September 30, 2016 (in thousands)

Expense				
	2016 FY Forecast	2016 FY Budget	Fav/(Unfav) Variance	
Salary & Benefits	\$88,622	\$85,153	(\$3,469)	(4.1%)
Assessments & Fees	18,648	17,000	(1,648)	(9.7%)
Communications	3,955	4,091	135	3.3%
Maintenance	14,495	16,847	2,351	14.0%
Outside Services (Including RSC)	15,143	15,066	(76)	(0.5%)
Administrative & Leases	4,936	5,198	262	5.0%
Travel & Meetings	2,998	3,433	435	12.7%
Depreciation & Amortization	58,422	59,736	1,314	2.2%
Other Expenses	10,519	10,569	50	0.5%
Total Expense	\$217,738	\$217,092	(645)	(0.3%)

As part of SPP's compliance demonstration project, two separate firms were selected to provide independent assessments of SPP's internal compliance program. After careful analysis of the recommendations of each firm, 11 incremental out-of-budget positions were vetted and approved by SPP's officer team for inclusion in the forecast beginning mid-year 2016. Although headcount and compensation were added to the forecast for these positions, a material increase is not visible in <u>Salaries</u> due to an offsetting variance attributable to the vacancy run-rate (6% actual as compared to the budgeted rate of 4%).

The forecast for Pension and Retiree Healthcare Benefits expense was adjusted to reflect the most recent actuarial calculations for pension costs. This represents an increase of \$2.4 million over the budget, which was based on the 2015 actuarial calculations. The actual approved funding for 2016 creates a \$1.9 million unfavorable variance to the cash funding assumed in the budget. Employee healthcare expense is also forecast to exceed budget by \$0.6 million due to several large claims in the current year.

Assessments and Fees is considerably higher than the original budget. SPP received its annual assessment invoice from FERC in June and recognized a true-up for the prior year under-accrual. The 2016 forecast reflects the increased FERC costs expected for the year based on the assumed rate of increase in FERC's charge factor (3%) as well as the expected change in SPP's transmission sales (11%). The increase is driven by the full-year impact of the addition of the Integrated Systems into the SPP footprint.

Procurement of budgeted hardware and software (IT Foundation refresh and various capital projects) has been delayed due to a shift in priorities driven by CIP (critical infrastructure protection) initiatives and the mitigation of compliance findings. As a result, the forecast for the associated Maintenance expense has been reduced in accordance with the revised projected timing of the procurement of these assets.

The variance in <u>Outside Services</u> is the result of various offsetting factors. Unfavorable variances are related to additional costs associated with staff augmentation and consulting services in Compliance, IT and PMO departments primarily related to CIP compliance (\$0.8 million). Partially offsetting the unfavorable variances are expenses in the Regional Entity and Engineering, plus various other areas which trail budget but are individually immaterial. The Engineering variance is related to delays in the ITP10 project. The Regional Entity variance is attributed to lower consulting costs due to a downward trend in the number of violations.

<u>Travel</u> expenses trail budget across most divisions with the largest variances found in the Regional Entity (\$0.2 million) and Operations (\$0.1 million). The RE variance is partially attributed to higher vacancies and fewer audits early in the year. Hosting of various stakeholder meetings in more economical locations contributes to lower travel costs in Operations and throughout other divisions as well.

Other Income / Expense includes interest expense, capitalized interest, investment income, interest rate swap valuation adjustments, and various other income and expense amounts. Due to the unpredictability of the remaining items, the only amounts budgeted in this category include interest expense and capitalized interest. The current variance is primarily related to investment income (realized /unrealized) on deposits and investments, partially

#### Southwest Power Pool Monthly Financial Overview September 30, 2016 (in thousands)

	Actual	Fcst	Fcst	Fcst	FY 2016	FY 2016	Variance	FY 2015	Variance								
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Fcst	Budget	Fav/(Unfav)	Actual	Fav/(Unfav)
Income					•										, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Tariff Administrative Service	\$12.294	\$11.208	\$12.035	\$11,792	\$12,229	\$12.273	\$12,167	\$12,087	\$12,001	\$12,213	\$12.227	\$12,239	\$144,763	\$150,660	(\$5,897)	\$143,826	\$936
Fees & Assessments	2,811	2,176	1,995	2,226	1,310	2,177	2,225	2,651	2,403	2,102	2,029	2,544	26,649	27,520	(872)	27,891	(1,242)
Contract Services Revenue	40	40	42	42	42	42	42	62	44	44	44	44	529	498	31	975	(446)
Miscellaneous Income	348	370	369	402	466	320	362	692	133	253	253	253	4,220	3,400	820	6,040	(1,821)
Total Income	15,492	13,794	14,441	14,462	14,046	14,812	14,796	15,491	14,582	14,612	14,553	15,080	176,160	182,079	(5,919)	178,733	(2,572)
Expense																	
Salary & Benefits	6,833	6,856	8,493	7,002	7,521	7,564	7,156	7,136	7,754	7,193	7,184	7,931	88,622	85,153	(3,469)	84,043	(4,579)
Employee Travel	130	139	162	192	190	189	148	150	181	204	189	178	2,053	2,449	396	1,903	(150)
Administrative	187	238	280	560	233	574	194	332	533	1,093	282	430	4,936	5,198	262	4,928	(7)
Assessments & Fees	1,417	1,417	1,417	1,417	1,417	1,977	2,051	1,507	1,507	1,507	1,507	1,507	18,648	17,000	(1,648)	13,939	(4,709)
Meetings	108	44	61	71	77	93	90	65	68	166	76	26	945	983	39	825	(120)
Communications	324	337	323	317	305	336	330	328	331	341	341	341	3,955	4,091	135	3,758	(197)
Leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123	123
Maintenance	1,056	1,067	1,171	1,223	1,163	1,132	1,156	1,274	1,353	1,312	1,255	1,332	14,495	16,847	2,351	13,553	(942)
Services	586	1,522	1,347	1,171	1,140	1,261	1,237	1,312	1,142	1,369	1,351	1,467	14,907	14,803	(104)	12,329	(2,578)
Regional State Committee	10	24	21	20	25	12	21	26	12	22	22	22	236	263	28	200	(35)
Depreciation & Amortization	4,896	4,799	4,747	4,534	5,035	4,950	4,798	4,800	4,902	5,056	5,061	4,844	58,422	59,736	1,314	59,285	863
Total Expense	15,547	16,442	18,022	16,507	17,107	18,088	17,181	16,931	17,783	18,265	17,267	18,079	207,219	206,523	(696)	194,886	(12,333)
Other Income/(Expense)																	
Investment Income	3	3	39	3	4	38	4	4	36	-	-	-	133	-	133	1,768	(1,635)
Interest Expense	(811)	(819)	(817)	(949)	(1,003)	(930)	(903)	(910)	(907)	(886)	(885)	(885)	(10,708)	(10,731)	23	(10,623)	(85)
Capitalized Interest	-	-	-	17	-	26	-	-	36	-	-	59	138	162	(24)	102	36
Change in Valuation of Swap	-	-	(919)	-	-	(213)	-	-	395	-	-	-	(737)	-	(737)	(726)	(11)
Other Income/Expense	(82)	(2)	87	26	37	20	70	12	26	-	-	-	192	-	192	(1,097)	1,289
Unrealized Gain on Investment	(303)	(6)	396	26	115	9	256	(1)	(28)	-	-	-	464		464	(2,011)	2,475
Net Other Income (Expense)	(1,193)	(824)	(1,215)	(878)	(848)	(1,052)	(573)	(896)	(442)	(886)	(885)	(826)	(10,519)	(10,569)	50	(26,317)	15,798
Net Income (Loss)	(\$1,248)	(\$3,472)	(\$4,796)	(\$2,923)	(\$3,909)	(\$4,328)	(\$2,959)	(\$2,336)	(\$3,643)	(\$4,539)	(\$3,600)	(\$3,825)	(\$41,577)	(\$35,013)	(\$6,564)	(\$42,470)	\$893
2016 Headcount																	
Approved Budgeted Positions	600	600	600	600	600	599	599	599	599	599	599	599	599				
Forecast Including Vacancy	574	569	564	567	572	568	570	573	573	574	576	578	578				
Total Forecast Positions	604	605	613	615	612	612	612	611	611	611	611	611	611				
Headcount Vacancy	5%	6%	8%	8%	7%	7%	7%	6%	6%	6%	6%	6%	6%				
NRR Over / (Under) Recovery	\$3,857	\$1,183	(\$5,437)	\$1,390	\$1,553	(\$5,318)	\$1,987	\$1,963	(\$4,669)	\$678	\$1,494	(\$4,553)	(\$5,872)				

# Southwest Power Pool Current Month Financial Overview September 30, 2016 (in thousands)

	Current Mo	onth Compare	d to Forecast	YTD Actual	Compared to	YTD Budget	FY Forecast	t Compared to	n FY Budget	
	Sep-2016	Sep-2016	Variance	Sep-2016	Sep-2016	Variance	FY 2016	FY 2016	Variance	
	Actual	Forecast	Fav/(Unfav)	Actual	Budget	Fav/(Unfav)	Forecast	Budget	Fav/(Unfav)	
Income			(*******/			(0.11.61.1)			(0.111)	
Tariff Administrative Service	\$12,001	\$12,234	(\$233)	\$108,084	\$112,995	(\$4,911)	\$144,763	\$150,660	(\$5,897)	
Fees & Assessments	2,403	2,395	`	19,974	20,832	(859)	26,649	27,520	(872)	
Contract Services Revenue	44	44	(0)	396	373	` 23	529	498	` 31	
Miscellaneous Income	133	253	(119)	3,462	2,697	765	4,220	3,400	820	
Total Income	14,582	14,926	(344)	131,915	136,897	(4,981)	176,160	182,079	(5,919)	
Expense										
Salary	4,722	4,696	(26)	42,364	42,472	107	56,536	56,586	50	
Benefits & Taxes	2,993	2,984	(9)	23,653	20,937	(2,717)	31,623	27,879	(3,743)	
Continuing Education	39	58	19	296	517	221	463	688	225	
Salary & Benefits	7,754	7,738	(15)	66,314	63,925	(2,389)	88,622	85,153	(3,469)	
Employee Travel	181	200	20	1,482	1,838	357	2,053	2,449	396	
Administrative	533	465	(68)	3,130	3,664	534	4,936	5,198	262	
Assessments & Fees	1,507	1,507	-	14,126	12,750	(1,376)	18,648	17,000	(1,648)	
Meetings	68	101	32	677	722	45	945	983	39	
Communications	331	337	7	2,931	3,068	137	3,955	4,091	135	
Maintenance	1,353	1,631	278	10,597	12,635	2,038	14,495	16,847	2,351	
Services	1,142	1,498	356	10,720	11,186	465	14,907	14,803	(104)	
Regional State Committee	12	22	10	170	197	28	236	263	28	
Depreciation & Amortization	4,902	5,068	167	43,460	44,774	1,314	58,422	59,736	1,314	
Total Expense	17,783	18,568	785	153,608	154,761	1,153	207,219	206,523	(696)	
Other Income/(Expense)										
Investment Income	36	-	36	133	-	133	133	-	133	
Interest Expense	(907)	(902)	(5)	(8,051)	(8,074)	23	(10,708)	(10,731)	23	
Capitalized Interest	36	46	(10)	78	102	(24)	138	162	(24)	
Change in Valuation of Swap	395	-	395	(737)	-	(737)	(737)	-	(737)	
Other Income/Expense	26	-	26	192	-	192	192	-	192	
Unrealized Gain on Investment	(28)	-	(28)	464	-	464	464	-	464	
Net Other Income (Expense)	(442)	(856)	414	(7,921)	(7,972)	50	(10,519)	(10,569)	50	
Net Income (Loss)	(\$3,643)	(\$4,498)	\$855	(\$29,614)	(\$25,835)	(\$3,779)	(\$41,577)	(\$35,013)	(\$6,564)	
Headcount	573	572	1	573	599	(26)	578	599	(21)	

#### Southwest Power Pool Balance Sheet September 30, 2016

(in thousands)

	9/30/2016	12/31/2015	Net Change
ASSETS			
Current Assets			
Cash & Equivalents	\$44,742	\$42,003	\$2,740
Restricted Cash Deposits	193,390	196,918	(3,528)
Accounts Receivable (net)	36,204	39,789	(3,586)
Other Current Assets	13,033	8,420	4,612
Total Current Assets	\$287,368	\$287,131	\$238
Total Fixed Assets	103,079	136,480	(33,401)
Total Other Assets	2,703	6,051	(3,348)
Investments	10,199	9,352	847
Total Assets	\$403,349	\$439,014	(\$35,665)
Liabilities & Equity			
Liabilities			
Current Liabilities			
Accounts Payable (net)	\$25,101	\$30,609	(5,508)
Customer Deposits	193,584	196,918	(3,334)
Current Maturities of LT Debt	22,901	21,944	957
Other Current Liabilities	30,883	44,092	(13,209)
Line of Credit	-	2,000	(2,000)
Deferred Revenue	5,497	5,318	179
Total Current Liabilites	277,966	300,881	(22,915)
Long Term Liabilities			
US Bank Mortgage - 2027	2,981	3,135	(154)
4.82% Series-A Senior Notes - 2042	27,611	28,025	(414)
4.82% Series-B Senior Notes - 2042	32,213	32,696	(483)
3.55% Series-C Senior Notes - 2024	45,500	50,750	(5,250)
3.00% Series-D-1 Senior Notes - 2024	32,500	36,250	(3,750)
3.25% Series-D-2 Senior Notes - 2024	35,000	38,750	(3,750)
3.8% Series-E-1 Senior Notes - 2025	37,000	37,000	-
Floating Series Regions Note - 2024	28,500	-	28,500
Capital Lease Obligation	4,317	5,674	(1,356)
Other Long Term Liabilities	38,788	35,267	3,521
Total Long Term Liabilities	284,411	267,548	16,863
Net Income	(29,614)	(42,470)	12,857
Members' Equity	(129,415)	(86,945)	(42,470)
Total Members' Equity	(159,029)	(129,415)	(29,614)
Total Liabilities & Equity	\$403,349	\$439,014	(\$35,665)

#### Southwest Power Pool Headcount Analysis September 30, 2016

	Current	Month Actual v	s. Budget	Year En	vs. Budget	
	Actual Sep-2016	Budget Sep-2016	Over/(Under) Budget	2016 Forecast *	2016 Budget	Over/(Under) Budget
Administration	49	50	(1)	50	50	0
Process Integrity	53	58	(5)	55	58	(3)
Operations	154	161	(7)	160	161	(1)
Information Technology	141	146	(5)	153	146	7
Engineering	75	76	(1)	78	76	2
Regulatory Policy & General Counsel	23	25	(2)	26	25	1
Corporate Services	27	28	(1)	30	28	2
Market Monitoring	14	15	(1)	15	15	0
Market Design	5	7	(2)	7	7	0
Interregional Relations	3	3	0	3	3	0
Communications & Gov't Affairs	5	5	0	6	5	1
SPP Regional Entity	24	28	(4)	28	28	0
Total Headcount	573	599	(26)	578	599	(21)
Headcount changes						

Н	eac	lcount	C	hang	es:
---	-----	--------	---	------	-----

ricadcount changes.	
2016 Approved positions	602
Unidentified positions to be eliminated	(3)
2016 Budgeted positions	599
Incremental out-of-budget positions	11
Remaining unidentified eliminations	2
Operations reduction (2017)	(1)
2016 Current total positions	611
Vacancy factor (open positions)	(33)
2016 Forecast including vacancy	578

<sup>\*</sup> The headcount forecast includes vacancy. The budget included a reduction of 3 unidentified positions by year end; however only one of these positions has been identified to date. Total forecast positions is 611 as compared to the budget of 599. Operations committed to reducing headcount by 2 positions beginning in 2017 and identified one of the positions effective in June 2016. This is the result of not backfilling for a position who was promoted into an open requisition and reduces the 2016 headcount to 611. Total positions by year end should be 609 instead of 611 once the additional positions are identified and removed.

#### Southwest Power Pool 2016-2018 Capital Project Forecast September 30, 2016 (in thousands)

	Prior				2016		2017		2018		Total		Total		Over /		
	Y	ear(s)	ŀ	Actual	F	orecast	F	orecast	F	orecast	F	orecast	E	Budget		(Under)	
2016 New Projects																	
EMS Software & OS Upgrade (1)	\$	-	\$	-	\$	-	\$	210	\$	-	\$	210	\$	5,162	\$	(4,952)	-96%
TTSE Dispatcher Training Simulator (1)						219		426		3,000		3,645		3,817		(172)	-5%
PMU Data Exchange						881		724		1,795		3,400		1,888		1,512	80%
Z2 Crediting P2 and P3 (1)						375		125		-		500		749		(249)	-33%
Identity and Access Management System						30		570		100		700		692		8	1%
Local Reliability Assessment						-		500		-		500		500		-	0%
2-Factor Authentication (Part 2 of 2 - Software Development)						97		97		-		194		194		(0)	0%
FERC 676-H NITS Web Oasis Modification						116		-		-		116		108		7	7%
Liferay Portal Replacement						21		79		-		99		100		(1)	-1%
Circuit Redesign						89		8		8		105		96		9	9%
ICCP Software & OS Upgrade						-		62		-		62		62		(0)	0%
Voltage Stability Tools						7		-		-		7		30		(23)	-76%
ProLaw Upgrade						23		1		1		24		24		(0)	0%
Total 2016 New Projects	\$	-	\$	-	\$	1,857	\$	2,800	\$	4,904	\$	9,561	\$	13,422	\$	(3,860)	
Carryover Projects																	
Enhanced Combined Cycle - Gas Day (2)	\$	1,301	\$	436	\$	4,220	\$	570	\$	-	\$	6,527	\$	7,708	\$	(1,181)	-15%
Transmission Settlements Upgrade ETSE3 (3)		-		-		-		2,043		3,038		5,081		3,836		1,245	32%
Z2 Crediting P1 <sup>(4)</sup>		351		1,247		213		-		-		1,812		1,643		168	10%
Total Carryover Projects	\$	1,652	\$	1,683	\$	4,433	\$	2,613	\$	3,038	\$	13,420	\$	13,188	\$	232	

#### Notes:

- (1) The 2017 2018 forecasts for these multi-year projects have been updated to reflect the proposed forecast during the 2017-2019 budget cycle. Total Budget represents numbers from the 2016 2018 budget cycle which were estimates from mid-year 2015. The EMS Software & OS Upgrade was changed to reflect an upgrade for multiple products running on compatible and supported operating systems (EMS/CMT/Markets GE/Alstom e-Terra) and results in significant cost savings over the prior budget estimate for only EMS. The prior year budget estimate included hardware costs that were already included in the IT Foundation budget. The EMS Hardware is only included in the forecast for server refresh in IT Foundation. The revised PMU project forecast reflects incremental hardware costs in 2019 (included in the 2018 Forecast for this report) for anticipated software upgrades and for CIP and high availability requirements.
- (2) A portion of contingency expense was removed from the Enhanced Combined Cycle Gas Day (ECC) project forecast based on executed SOWs at this point. This change is the main driver in the favorable variance to budget.
- (3) During the 2017 2019 budget planning process, the <u>Transmission Settlements Upgrade</u> project has been changed to a total replacement of the Settlements system (market and transmission).
- (4) The project for <u>Z2 Crediting P1</u> was established in early 2012 at an estimated cost of \$295. Ongoing challenges in establishing requirements resulted in an impairment loss (\$351) and additional expense to settle with the previous vendor in 2015. A new vendor was selected to move forward with the project at a total projected cost of approximately \$1.8 million.

#### Southwest Power Pool 2016-2018 Capital Project Forecast September 30, 2016 (in thousands)

	Prior ear(s)	2015 Actual	F	2016 orecast	F	2017 orecast	F	2018 Forecast	Total Forecast	Total Budget	Over / (Under)	
<u>Foundation</u>	 . , ,									<del>-</del>		
IT Foundation (5)	\$ -	\$ -	\$	10,339	\$	7,900	\$	13,341	\$ 31,580	\$ 35,160	\$ (3,580)	-10%
Other (Non-IT) Department Foundation				1,480		1,232		1,379	4,091	4,560	(469)	-10%
Ops Foundation <sup>(6)</sup>				979		2,358		2,533	5,870	8,494	(2,624)	-31%
Facilities Foundation (7)				724		486		250	1,460	1,193	267	22%
Settlements Foundation (8)				95		250		250	595	750	(155)	-21%
Total Foundation	\$ -	\$ -	\$	13,618	\$	12,226	\$	17,753	\$ 43,597	\$ 50,157	\$ (6,560)	
Total Capital Project Expense	\$ 1,652	\$ 1,683	\$	19,909	\$	17,639	\$	25,695	\$ 66,578	\$ 76,767	\$ (10,189)	-13%

- 5) The 2017 and 2018 forecasts now reflect additional reductions made for the 2017 2019 budget cycle. System refresh costs associated with various systems were re-evaluated and some were eliminated or delayed until 2019 in efforts to reduce costs during the 2017 budget planning.
- 6) Workload for anticipated marketplace enhancements has been delayed due to vendor staffing constraints related to a shift in focus to ECC. This results in a favorable variance in <u>Operations Foundation</u>; however, the ECC project does not reflect the same overage compared to budget because the original ROM budget reflected contingency of \$1.2 million. The 2017 and 2018 forecasts now reflect additional reductions made for the 2017 2019 budget cycle.
- 7) Changes were made to the 2017 and 2018 forecast for additional Facility Foundation improvements as reflected in the 2017 2019 budget cycle.
- 8) A portion of the <u>Settlements Foundation</u> and <u>Operations Foundation</u> is covered by a two-year vendor contract with shared resources. The majority of Settlements enhancements were complete in 2015 therefore the funds budgeted for Settlements in 2016 were allocated for Operations enhancements.

#### Southwest Power Pool 2016-2018 Capital Project Forecast September 30, 2016 (in millions)

