

SOUTHWEST POWER POOL FINANCE COMMITTEE MEETING

July 13, 2020
Teleconference

MINUTES

AGENDA ITEM 1 – ADMINISTRATIVE ITEMS

SPP Chair Susan Certoma called the meeting to order at 8:30 a.m. The following members were in attendance or represented by proxy:

Susan Certoma	SPP Director
Graham Edwards	SPP Director
Sandra Bennett	AEP
Sarah Stafford	OG&E
Mike Wise	Golden Spread Electric Coop
Laura Kapustka	Lincoln Electric System

Others in attendance: See attached meeting register

A quorum was present. Minutes from the April 27, 2020 meeting were reviewed. Graham Edwards made a motion to accept the minutes. The motion was seconded by Mike Wise and approved by unanimous voice vote.

AGENDA ITEM 2 – 2021 OPERATING PLAN

SPP staff presented the 2021 Operating Plan document, highlighting i) the scope of work involved in existing operations, ii) ten primary corporate objectives, and iii) the 2021 project plan. Members of the Strategic Planning Committee and SPP Board of Directors were polled in the meeting if they believed any aspects of the proposed 2021 Operating Plan were out of alignment with the SPP Strategic Plan; none were noted.

A question asked asked by Mike Wise during the discussion dealing specifically with the legal process associated with the refund of legacy Z2 credits was unable to be answered during the meeting but would be addressed in the minutes. Following is the answer to that question: *SPP and OG&E have appealed FERC's order reversing the Commission's previous order granting SPP's waivers to bill and collect Z2 billing. In FERC's order reversing the waivers, the Commission directed SPP to not refund Z2 payments until ordered to do so by the Commission. SPP has yet to receive a refund order. SPP's best estimate is that FERC will not will not issue a refund order until the Appeal is resolved and other remaining litigation (206 Complaints) are complete.*

Graham Edwards made the following motion: The Finance Committee recommends the SPP Board of Directors accept the 2021 SPP Operating Plan as a working document for development of the 2021 budget. The motion was seconded by Mike Wise and approved by unanimous voice vote.

AGENDA ITEM 3 – PROCESS IMPROVEMENT REPORT

The committee received a report from SPP staff on process improvement program efforts that have occurred over the trailing 12 month period. 41 improvement projects have been completed during the reporting period with estimated financial savings of \$198,000 and freeing up over 2,400 hours of annual staff time.

AGENDA ITEM 4 – MID YEAR REVIEW

SPP staff provided a concise overview of full year projected financial performance. Expenses are projected to be well below budget while revenues are inline with budget. Through May 2020, the full year financial over-recovery was projected to be in excess of \$6 million.

AGENDA ITEM 5 – AUDITOR ENGAGEMENTS

SPP completed a request for proposal process, in accordance with its stated practices, for financial, benefit plan, and controls audit engagements. The results of the process were shared with the committee along with a recommendation to retain BKD (financial audit), Landmark (benefit plan audit), and KPMG (controls audit).

Sandra Bennett made a motion to accept SPP staff's recommendation and recommend the Board of Directors approve the recommendation. The motion was seconded by Laura Kapustka and approved by unanimous voice vote.

AGENDA ITEM 6 – VATF ASSIGNMENT UPDATE

Tom Dunn and Susan Certoma advised the Committee on progress on the VATF recommendations through the first six months of 2020. A formal recommendation is expected at the October finance committee meeting

AGENDA ITEM 7 – ENGINEERING STAFFING UPDATE

SPP is currently on track in realizing the financial benefits of the additional engineering staff added since 3Q'19.

CREDIT PRACTICES WORKING GROUP REPORT

The committee was informed that the credit policy changes approved in April 2020 were converted to tariff language and will be presented to the MOPC at its July meeting.

Respectfully Submitted,

Tom Dunn

Secretary

FirstName	LastName	Company
Russell	Carey	SPP
Patrick	Clarey	FERC
Bruce	Rew	"Southwest Power Pool, Inc."
Greg	(OG&E)	Oklahoma Gas & Electric
Robert	Pick	NPPD
Sandra	Bennett	AEP
Tom	Hestermann	Sunflower Electric Power Corp.
Joshua	Phillips	Southwest Power Pool
Jim	Jacoby (AEP)	AEP/PSO
MICHAEL	WISE	Golden Spread Electric Coop
Julian	Brix	SPP
Richard	Ross	AEPSC
Lauren	Krigbaum	SPP
Heather	Starnes	MJMEUC/KMEA
Ray	Bergmeier	Sunflower Electric Power Corporation
Traci	Bender	NPPD
Traci	Bender	NPPD
Susan	Certoma	
Maeve	Tibbetts	Pierce Atwood LLP
Will	Vestal	SPP_MMU
Les	Evans	KEPCo
LAURA	KAPUSTKA	LES
Graham	Edwards	SPP
Sarah	Stafford	OG&E
Gary	Cate	SPP
Denise	Buffington	Evergy
Erin	Cathey	SPP
Tom	Dunn	SPP
Antoine	Lucas	SPP
John	Olsen	"Evergy, Inc."
Dennis	Florum	Lincoln Electric System
Lanny	Nickell	Southwest Power Pool
Bill	Grant	SPS
Michael	Desselle	Southwest Power Pool
David	Osburn	OMPA
Larry	Altenbaumer	SPP Director
Larry	Altenbaumer	SPP Director
Larry	Altenbaumer	SPP Director
Larry	Altenbaumer	SPP Director
Larry	Altenbaumer	SPP Director
Dianne	Branch	Southwest Power Pool
SCOTT	SMITH	SPP
Barbara	Sugg	SPP
Don	Frerking	SPP
Donna	Starzec	Nebraska Public Power District