



**Southwest Power Pool**  
**REGIONAL ENTITY TRUSTEES MEETING**  
**January 30, 2008**  
**Hyatt Regency Hotel – Austin, TX**

**• MINUTES •**

**Agenda Item 1 – Administrative Items**

John Meyer called the meeting to order at 8:35 a.m. Other members in attendance were: Dave Christiano and Gerry Burrows. Staff in attendance included Ron Ciesiel, Michael Desselle, Charles Yeung, and Alison Hayes (secretary). Guests included Dave Hilt, NERC, and Leo Ganser, Xcel Energy.

Mr. Meyer referred to draft minutes for the October 31, 2007 meeting and asked for corrections or a motion for approval (RET Minutes 10/31/07 – Attachment 1). Mr. Meyers requested that names of SPP representatives serving on NERC committees be added to these minutes pursuant to Agenda Item #6 (SPP NERC committee members – Attachment 2). Gerry Burrows moved to approve the minutes as presented with the amendment reflected in these minutes. Dave Christiano seconded the motion, which passed unanimously.

**Agenda Item 2 – Past Action Items**

Alison Hayes reported on Action Items in accordance with the Status Report (Attachment 3).

**Agenda Item 3 – Quarterly Activity Report**

Ron Ciesiel reviewed the quarterly activity report, except confidential portions, which were covered in Executive Session. Mr. Ciesiel reported that 163 out of 164 pre-June 18<sup>th</sup> violations have completed mitigation plans. The last one has a completion date of 12/31/08. Mr. Ciesiel reported that there have been very few post-June 18<sup>th</sup> violations so far, with one receiving a financial penalty assessment.

The group discussed the public posting of violations. Dave Hilt explained that a violation report is considered public information when FERC posts it as a confirmed violation. SPP Regional Entity (RE) does not post alleged violations until all due process remedies have been exhausted.

The violation timeline and process were discussed. Mr. Ciesiel explained that although the CMEP allows settlement negotiations to begin before the actual notice of alleged violation goes to the registered entity, SPP RE staff has decided to proceed through the entire notice process before entering into settlement negotiations.

**Agenda Item 4 – Signature Authority for Unbudgeted Expenses**

Mr. Ciesiel asked the Trustees what procedure he should use for unusual and/or unbudgeted expenses that come before the RE for payment. He cited the example of updates required for the CMEP software recently. The Trustees stated that the process for unbudgeted expenses will be as follows: the request will be presented to the Trustees for approval and then to Michael Desselle for approval. If the requested amount is too high for Mr. Desselle's approval authority, the request will go to the SPP Board of Directors.

Alison Hayes and/or Michael Desselle will conference with Stacy Duckett to determine if it is possible to give Ron Ciesiel contract signing authority and enhanced payment authority, on behalf of the Regional Entity.

**Agenda Item 5 – Regional Entity Newsletter**

Mr. Ciesiel explained the planned quarterly newsletter that the RE will be publishing and sending out to all registered entities and other interested parties, beginning April 2008. The publication will be distributed via email. Michael Desselle explained that he saw no excess expense to publish the newsletter due to the in-house communications group and electronic method of delivery.

**Agenda Item 6 – 2008 SPP RC/RRO Audit Team Leader**

After discussion regarding who will lead the SPP audit of the reliability coordinator, Gerry Burrow made the following motion: Any SPP RE audit for compliance of the SPP RTO Registered Entity function(s) shall be led by NERC. Southwest Power Pool RE staff shall participate as members of the audit team. NERC staff and SPP RE staff will agree on the scope and conduct of the audit, prior to the start of the audit. John Meyer seconded the motion, which passed unanimously.

**Agenda Item 7 – Penalty Notification to Trustees**

John Meyer made the following motion: The Executive Director of Compliance and Enforcement (ED) will submit any Notice of Alleged Violation and Penalty Letter, with a suggested penalty in excess of \$150,000, to the Regional Entity Board of Trustees for review. The notice shall be made to the Trustees seventy-two (72) hours prior to submittal to NERC and the alleged violator. If the Trustees do not make an objection to the ED within those 72 hours, he will send the letters to the proper recipients. Notice of Alleged Violation and Penalty Letters below the \$150,000 penalty threshold shall be submitted to the Trustees in conjunction with notice to the Registered Entity and NERC. Dave Christiano seconded the Motion and it passed with a unanimous vote.

**Agenda Item 8 – Report on Potential Hearing Officers**

Alison Hayes reported that she has a commitment from Alternative Dispute Resolution Services (ADR) to provide hearing officers as needed by SPP RE. In addition, she has made contact with the Arkansas Administrative Adjudicators Association for possible contacts but has not gotten a response as of the meeting. Ron Ciesiel reported that the Regional Managers have also agreed to share names of hearing officials nationwide.

**Agenda Item 9 – LSE Billing Issues 2007-2008**

Charles Yeung reported that due to a mid-year change last year from BA to LSE for billing purposes, Southwest Public Service did not provide all LSE's in time for NERC to accurately bill the individual companies. The company has agreed to pay retroactively. Mr. Yeung expressed the importance for the next budget cycle and that the Net Energy to Load (NEL) information is collected accurately.

**Agenda Item 10 – R.E. Situation Awareness and Reliability Evaluations**

Charles Yeung explained that Situation Awareness falls under Operations. Lanny Nichols makes a report to NERC and FERC every morning. The Trustees requested that Ron Ciesiel provide an analysis of seasonal assessments, as they are published, in the semi-monthly staff report to the Trustees.

**Agenda Item 11 – FERC On-Site Audit**

FERC auditors will be on site at the SPP offices the week of February 4 – 8, 2008. Michael Desselle reviewed the anticipated schedule and areas of responsibilities for the audit.

**Agenda Item 12 – 2007 Year End Budget Review**

Charles Yeung explained the variance in the 2007 budget. In 2006, the budget process was a matter of speculation and guesswork because the RE did not yet exist. The actual 2007 expenditures exceeded the budget by \$452,081.00 due to a change in the allocation and calculation of overhead factors charged to direct man-hour billings.

**Agenda Item 13 – Summary of Action Items**

Alison Hayes reviewed new action items:

- Provide names of SPP members serving on NERC committees (Attachment 2)
- Ron and Alison to work with Corporate Communications (Emily Pennel) for separate RE survey
- Bring survey sample to next Trustee meeting with standards process questions included, as well as, open ended questions.
- Alison and Michael to work with Cheryl Robertson on Self-Assessment Survey. Bring sample to April meeting.
- Revise RE organizational chart to reflect a dotted line from Ron to Noncompliance Statutory Function Shared Resources and make sure line is dotted between RE Trustees and Michael and Charles. Put chart on website.
- Ron to provide violation process timeline chart.
- Ron to provide seasonal assessment analysis in staff reports to Trustees.
- Charles to find out how RE budget is audited and report to Trustees. Charles will also get an explanation regarding the \$5,000 interest payment reflected in the RE 2007 budget.
- Michael to report back regarding July meeting options.
- Put Regional Standards update as agenda item for April meeting.
- Meet with Stacy Duckett regarding RE budgeting process and contract signing process. Find out if Trustees can make resolution giving Ron Ciesiel authority to sign contracts on behalf of the RE.

**Agenda Item 14 – Discussion of Future Meetings**

Michael Desselle reported calendar conflicts for the July and October Trustee meetings due to NERC Board Meeting schedule changes. Michael will check and see what options are available to reschedule the Trustees meeting in order for Charles Yeung, Michael Desselle and Alison Hayes to attend those meetings. The 2008 SPP RE Trustee meetings currently scheduled are as follows:

April 23	Oklahoma City, OK
July 30	Kansas City, MO
October 29	Tulsa, OK

With no further business, the meeting was adjourned to Executive Session.

Respectfully submitted,

Alison Hayes  
Secretary

**Southwest Power Pool**  
**REGIONAL ENTITY TRUSTEES**  
**October 31, 2007**  
**Doubletree Hotel at Warren Place, Tulsa, OK**

• M I N U T E S •

**Agenda Item 1 – Administrative Items**

John Meyer called the meeting to order at 8:04 p.m. Other members in attendance were: Dave Christiano and Gerry Burrows. Staff in attendance included Ron Ciesiel, Michael Desselle, Charles Yeung, Alison Hayes, and Stacy Duckett (secretary). Guests included Jessica Collins (Xcel Energy).

Mr. Meyer referred to draft minutes for the August 20, 2007 meeting and asked for corrections or a motion for approval (RET Minutes 8/20/07– Attachment 1). Gerry Burrows moved to approve the minutes as presented. Dave Christiano seconded the motion, which passed unanimously.

**Agenda Item 2 – Past Action Items**

Stacy Duckett reported on Action Items in accordance with the Status Report (Attachment 2).

**Agenda Item 3 – Quarterly Activity Report**

Ron Ciesiel reviewed the activity report, except for confidential portions, which were covered in Executive Session (Activity Report – Attachment 3). The Trustees discussed participating as observers at upcoming audits. Following discussion, the group determined that there were too many potential conflicts, so they will not pursue audit observation. The committee asked Mr. Ciesiel to review the audit/report and penalty assessment processes. Mr. Ciesiel reviewed the status of pre-June 18 violations. All violations are to be resolved by December 31, 2007 except one, which has an early 2008 completion date. No extensions will be granted for pre-June violations.

Staff received very positive feedback on the Compliance Workshop. There were 115 participants. The next workshop is the week of January 21, 2008 with final dates to be announced.

**Agenda Item 4 – Standards Development Report**

The process for development of standards has been initiated (SPP Standards Development Process Manual – Attachment 4). The Under Frequency Load Shedding Standard was assigned by the Market and Operations Policy Committee (MOPC) to the System Protection and Control Working Group. Required notices and postings are in process. Charles Yeung reviewed changes in the Standards Development Process since last meeting. Mr. Yeung and Alison Hayes are working with Corporate Communications to finalize posting and notice processes. There are three additional regional standards that are not yet active, pending direction from NERC. The process will be reviewed at the Organizational Group Chairs and Secretaries Workshop in November.

**Agenda Item 5 – ERO/RE Budget Order**

Michael Desselle reviewed the recent FERC order on the NERC and Regional Entity budgets (2008 Budget Order & 2008 Business Plan/Budget – Attachment 5). FERC approved the budgets, but does require a compliance filing on December 14. There was discussion regarding requirements set out in paragraphs 68 - 70. Mr. Meyer requested to see a draft of the filing before submission to NERC. The filing schedule is pending.

Mr. Meyer requested a budget variance reporting going forward. The Trustees will receive a monthly report via email and review reports quarterly at regular meetings.

**Agenda Item 6 – Regional Entity Representation on NERC Committees**

Stacy Duckett reviewed the roster of NERC committees and representation (NERC Committee Representation – Attachment 6). The group discussed whether any changes should be recommended based on the RE and RTO roles. The group identified the following NERC groups as directly related to the RE function:

- Members Representatives Committee
- Adequacy Assessment Task Force
- Reliability Assessment Subcommittee
- Transmission Availability Data System Task Force

There are no recommended changes to representation on these groups at this time. NERC is forming a legal group; Alison Hayes will participate for SPP.

**Agenda Item 7 – Annual Assessment Process**

Stacy Duckett reviewed SPP's Annual Assessment Process for organizational groups (Annual Assessment & Survey Process – Attachment 7). The Trustees have not participated in the 2007 process since they only initiated activities in July. John Meyer and Alison Hayes will attend the November workshop for chairs and secretaries. The RE will discuss and determine whether and how to approach an annual stakeholder satisfaction survey for the RE. The group asked to conduct the assessment process in early January for discussion at the January meeting as an interim check.

**Agenda Item 8 – FERC Meeting Follow-up**

**Resource Adequacy**

The group discussed whether the RE has a role in resource adequacy. This led to a broader discussion of duties and responsibilities of the RE as compared to duties of the Regional Reliability Organization. NERC has certain expectations for the RE's role in various areas. Michael Desselle will launch a project to review internal processes to ensure appropriate coordination occurs.

**Situation Awareness**

NERC/FERC are discussing situation awareness and what it will encompass and how it will be implemented. Internal process will also be developed to ensure that appropriate reporting occurs.

**Organization and Staffing**

The Regional Entity Trustees' Secretary needs to be updated on the Organizational Group chart on the website. There is a request to add a separate "staff" box on the organizational chart for the RE. The group will discuss other staffing considerations in Executive Session.

**Agenda Item 9 – Review Action Items**

Stacy Duckett reviewed New Action items:

- Expand interim reporting to include report from Counsel.
- Provide budget variance reporting each month, and in regular quarterly reporting.
- Charles Yeung is to provide sample time tracking sheet to Trustees.
- Report on NERC/RE Committee plan project
- Determine whether and how to approach an annual stakeholder survey for the Regional Entity.
- Develop processes for communication between RE and RTO for reporting events.
- Complete Organizational Group Survey and Assessments in early January for discussion at the January meeting.
- Michael Desselle will launch a project to review internal processes.
- Update/revise the Organizational Group Chart for Trustees.

**Agenda Item 10 - Future Meetings**

The next Regional Entity Trustees meeting will be January 30 in Austin, Texas (Future Meetings – Attachment 8).

Regional Entity Trustees Meeting  
October 31, 2007

**Other**

Stacy Duckett noted that this was her last meeting with the group, and concludes her tenure as interim Secretary. Alison Hayes will assume Secretary duties effective immediately. John Meyer thanked Ms. Duckett for her support.

With no further business, the meeting was adjourned to Executive Session for review of post June 18 violations, penalty assessments and staffing.

Respectfully Submitted,

Stacy Duckett  
Secretary



## Southwest Power Pool, Inc.

### NERC Representation\*

February 2008

Regional Entity Management Group .....	Charles Yeung, Michael Desselle
Members Representative Committee .....	Michael Desselle
Operating Committee (OC).....	Pete Kuebek, OGE
Data Exchange Working Group (DEWG) .....	Scott Aclin
Disturbance Analysis Working Group (DAWG) .....	Jay Caspary
Interchange Subcommittee (IS).....	Melinda Montgomery, Entergy
Operating Reliability Subcommittee (ORS) .....	Lanny Nickell
Distribution Factor Working Group (DFWG).....	Jason Smith
Interchange Distribution Calculator Working Group (IDCWG).....	Katy Onnen
Reliability Coordinator Working Group (RCWG) .....	Lanny Nickell
Personnel Subcommittee (PS) .....	John Taylor
Resources Subcommittee (RS).....	Robert Rhodes
Telecommunications Working Group (TWG).....	Randy Turner
Planning Committee (PC).....	Jim Useldinger, KCPL
Adequacy Assessment Task Force.....	Jay Caspary
Reliability Assessment Improvement Task Force.....	Jay Caspary
Load Forecasting Working Group (LFWG).....	Jason Speer
Reliability Assessment Subcommittee (RAS).....	Mak Nagle
Alternative .....	Jay Caspary
Data Coordination Working Group (DCWG).....	Jason Speer, Chris Haley
Resource Issues Subcommittee.....	Jay Caspary
System Protection and Control Task Force.....	Dean Sikes, Cleco
Transmission Availability Data System Task Force.....	Jake Langthorn, OGE
Transmission Issues Subcommittee.....	Jay Caspary

\* Unless otherwise noted, representatives are SPP RTO Staff



Critical Infrastructure Protection Committee (CIPC) .....Robert McClanahan, AECC  
Member ..... Larry Dolci, KCPL  
Member ..... Allen Klassen, Westar Energy  
Alternate .....John Breckenridge, Aquila  
Alternate.....Kevin Perry  
Alternate..... Tom Stuchlik, Westar Energy

**Compliance Enforcement & Certification Programs**

Compliance and Certification Committee (CCC).....David Hodges  
Organization Registration and Certification Subcommittee.....N/A  
Regional Entity Compliance Managers (RECM) .....Ron Ciesiel, SPP RE  
Audit Observation Team.....Kevin Goolsby, SPP RE  
Compliance Data Group.....Shon Austin, SPP RE  
Penalty Tool/Enforcement Review.....Ron Ciesiel, SPP RE  
Personnel Certification Governance Committee (PCGC) ..... N/A  
NERC Examination Working Group.....Phil Jennings, Westar Energy

**Eastern Regions Assessment Group [ERAG] [Not Affiliated Directly with NERC]**

ERAG Management Committee.....Jay Caspary  
Alternate.....Mak Nagle  
ERAG Technical Working Group.....Harvey Scribner  
Member.....Brett Rollow

\* Unless otherwise noted, representatives are SPP RTO Staff





**Southwest Power Pool, Inc.**  
**REGIONAL ENTITY**  
**Pending Action Items Status Report**  
**January 30, 2008 8:30 a.m. – 2:00 p.m.**

	Action Item	Date Originated	Status	Comments
1.	R. Ciesiel to follow up with NERC regarding use of fine calculation tool	8/20/07	Completed	R. Ciesiel has communicated with NERC regarding tool numerous times
2.	A. Hayes to provide interim report to Trustees	10/31/07	Completed	Counsel report now included in "staff report" provided by R. Ciesiel
3.	Provide budget variance reporting each month and in regular quarterly reporting	10/31/07	Pending	C. Yeung will provide 2007 annual at mtg.
4.	C. Yeung to provide sample time tracking sheet to Trustees	10/31/07	Completed	C. Yeung sent to J. Meyer and is bringing to meeting.
5.	Report on NERC/RE Committee plan project	10/31/07	Pending	
6.	Determine whether and how to approach an annual stakeholder survey for the R.E.	10/31/07	Pending	
7.	Develop process for communication between RE and RTO for reporting events	10/31/07	Pending	
8.	Complete Organizational Group Survey and Assessments in early Jan. for discussion at the Jan. meeting	10/31/07	Pending	
9.	M. Desselle to launch a project to review internal processes	10/31/07	Pending	
10.	Revise Organizational Group Chart for Trustees	10/31/07	Pending	