



Southwest Power Pool, Inc.
REGIONAL ENTITY TRUSTEES MEETING

April 23, 2008

Skirvin Hotel – Oklahoma City, OK

• A G E N D A •

8:30 a.m. – 2:00 p.m.

- 1. Administrative Items Mr. John Meyer
- 2. Review of Past Action Items..... Mrs. Alison Hayes
- 3. Quarterly Activity Report..... Mr. Ron Ciesiel
 - a. Pre-June 18th Violations Report
 - b. Post-June 18th Violations Report
 - c. RE Personnel Report
- 4. SPP RE and NERC Standards Development Report..... Mr. Charles Yeung
- 5. 2008 and 2009 Budget Reports..... Mr. Charles Yeung
- 6. RE Training Report Mr. Charles Yeung
- 7. Summary of New Action Items Mrs. Alison Hayes
- 8. Discussion of Future Meetings Mrs. Alison Hayes

*Relationship-Based • Member-Driven • Independence Through Diversity
Evolutionary vs. Revolutionary • Reliability & Economics Inseparable*

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 18th 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 18th 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 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 R.E. for payment. He sited 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 R.E. 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 R.E. audit for compliance of the SPP RTO Registered Entity function(s) shall be led by NERC. Southwest Power Pool R.E. staff shall participate as members of the audit team. NERC staff and SPP R.E. 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 R.E. 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 B.A. to L.S.E. for billing purposes, Southwest Public Service did not provide all LSE information in time for NERC to accurately bill their Load Serving Entity companies. Those entities have agreed to pay NERC retroactively. Mr. Yeung expressed how important it is that the 2007 Net Energy to Load (N.E.L.) information is collected accurately for the 2009 budget cycle and is working with Customer Service on a process.

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 R.E. 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 R.E. 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 R.E. organizational chart to reflect a dotted line from Ron to Noncompliance Statutory Function Shared Resources and make sure line is dotted between R.E. 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 R.E. budget is audited and report to Trustees. Charles will also get an explanation regarding the \$5,000 interest payment reflected in the R.E. 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 R.E. budgeting process and contract signing process. Find out if Trustees can make resolution giving Ron Ciesiel authority to sign contracts on behalf of the R.E.

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 R.E. Trustee meetings currently scheduled are as follows:

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

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

Respectfully submitted,

Alison Hayes
Secretary



Southwest Power Pool, Inc.
REGIONAL ENTITY TRUSTEES COMMITTEE
Pending Action Items Status Report

April 23, 2008

	Action Item	Date Originated	Status	Comments
1.	Provide budget variance reporting each month and in regular quarterly reporting	10/31/07	Completed	Jan and Feb reports provided. March and 1st quarter on April 23
2.	C. Yeung to provide sample time tracking sheet to Trustees	10/31/07	Completed	Presented 10/31/07
3.	Report on NERC/RE Committee plan project.	10/31/07	Completed	Included in 1/30/08 minutes
4.	Determine whether and how to approach an annual stakeholder survey for the R.E.	10/31/07	Completed	
5.	Ron to develop process for communication between RE and RTO for reporting events	10/31/07	Pending	
6.	Complete Organizational Group Survey and Assessments in early Jan. for discussion at the Jan. meeting	10/31/07	Completed	In background material
7.	M. Desselle to launch a project to review internal processes	10/31/07	Completed	Been started and nearly complete.
8.	Ron C/ Alison H. work with Communications to develop an RE survey and bring draft to meeting.	1/30/08	Completed	In background material for meeting.
9.	Alison H/ Michael D develop self assessment survey for RE Trustees and bring draft to meeting.	1/30/08	Completed	In background material.
10.	Revise RE Org chart to reflect dotted line between MD and CY and RETs and between RC and non-compliance statutory activities. Post chart on website.	1/30/08	Completed	In background material
11.	RC to provide violation process timeline	1/30/08	Completed	Provided at meeting

12.	RC to provide seasonal assessment reports to RETs	1/30/08	Completed when available	No reports this period.
13.	CY to provide information regarding how RE budget is audited and explain \$5000 interest payment calculated in the '07 budget year end summary.	1/30/08	Complete	
14.	July meeting dates and location	1/30/08	Complete	July 21, 2008 SPP Offices, Little Rock, AR
15.	Provide Regional Standard Update	1/30/08	Complete	Provide at meeting
16.	MD meet with Stacy D regarding budgeting process and contract signing process for the RE. Determine if RETs can make a resolution authorizing signature authority to RC	1/30/08	Complete	
17.				
18.				
19.				
20.				



2008 SPP RE Regional Entity Survey

1. What type of relationship does your organization have with the SPP Regional Entity (RE)?

Registered Entity Regulatory Other |

If other, please specify:

2. What is your role within your organization?

Operations Engineering Technical/IT Policy/Regulatory/Legal Executive (Director or Officer) Accounting/Finance/Settlements Other |

If other, please specify:

3. How often do you interact with the SPP RE?

Weekly
 Monthly
 A few times per year
 Rarely

4. Overall, how important are the following SPP RE services to you?

Please rate from 1 (not important) to 5 (important).

	1	2	3	4	5
Standards Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Readiness Evaluation Program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compliance Monitoring and Enforcement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Overall, how satisfied are you with the SPP RE's provision of the following services?

Please rate from 1 (needs improvement) to 5 (needs no improvement).

	1	2	3	4	5
Standards Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Readiness Evaluation Program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compliance Monitoring and Enforcement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. With which SPP RE services do you have the most interaction?

Please rank from 1 (least interaction) to 4 (most interaction).

	1	2	3	4
Standards Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Readiness Evaluation Program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compliance Monitoring and Enforcement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Do you interact with other Regional Entities?

- Yes
- No

8. Overall, how does the SPP RE compare with the Regional Entities with which you interact most often?

- Much worse
- Somewhat worse
- About the same
- Somewhat better
- Much better

9. Based on your experience, how is the SPP RE staff's performance in the following areas?

Please rate from 1 (needs improvement) to 5 (needs no improvement).

	1	2	3	4	5
SPP RE staff members are responsive to my needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SPP RE staff members provide accurate information upon request.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SPP RE staff members resolve problems in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SPP RE's overall service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Do you participate in the following SPP RE programs?

	Yes	No
Standards Development	<input type="radio"/>	<input type="radio"/>
Compliance Workshops	<input type="radio"/>	<input type="radio"/>
Training	<input type="radio"/>	<input type="radio"/>
Readiness Evaluation Program	<input type="radio"/>	<input type="radio"/>


11. Overall, how is the SPP RE's service and support of training classes and compliance workshops?

Please rate from 1 (needs improvement) to 5 (needs no improvement).


	1	2	3	4	5
Schedules and logistics are communicated in a timely and clear manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilities are planned appropriately and meet the needs of the group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Materials are well-prepared.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Please list any characteristics of the SPP RE with which you are SATISFIED.

13. Please list any characteristics of the SPP RE with which you are DISSATISFIED.



14. Please share any remaining thoughts about the SPP RE.



Submit

SPP Organizational Group Self-Evaluation/Assessment
(2007)

GROUP NAME:

CHARTER/SCOPE UPDATE: Attached Charter/Scope has been reviewed: **Y - N**

MEMBER ROSTER/ATTENDANCE:

Member	Company	Sector	# Present	# Absent

*Only on Committee for part of the assessment period.

Please list the number of members represented in the following areas:

Trans/Owners	Trans/Users

Sectors							
IOU	Coop	Muni	State/Fed	IPP/Marketer	Alt Power/Public Interest	Lg Retail	Sm Retail

AVERAGE OVERALL ATTENDANCE (INCLUDING NON-GROUP MEMBERS): _____

MEETINGS HELD TO DATE: **Live** _____ **Teleconference** _____

AVERAGE LENGTH OF MEETINGS: ____:____

NUMBER OF VOTES TAKEN: _____

*MEETING COST(S): _____

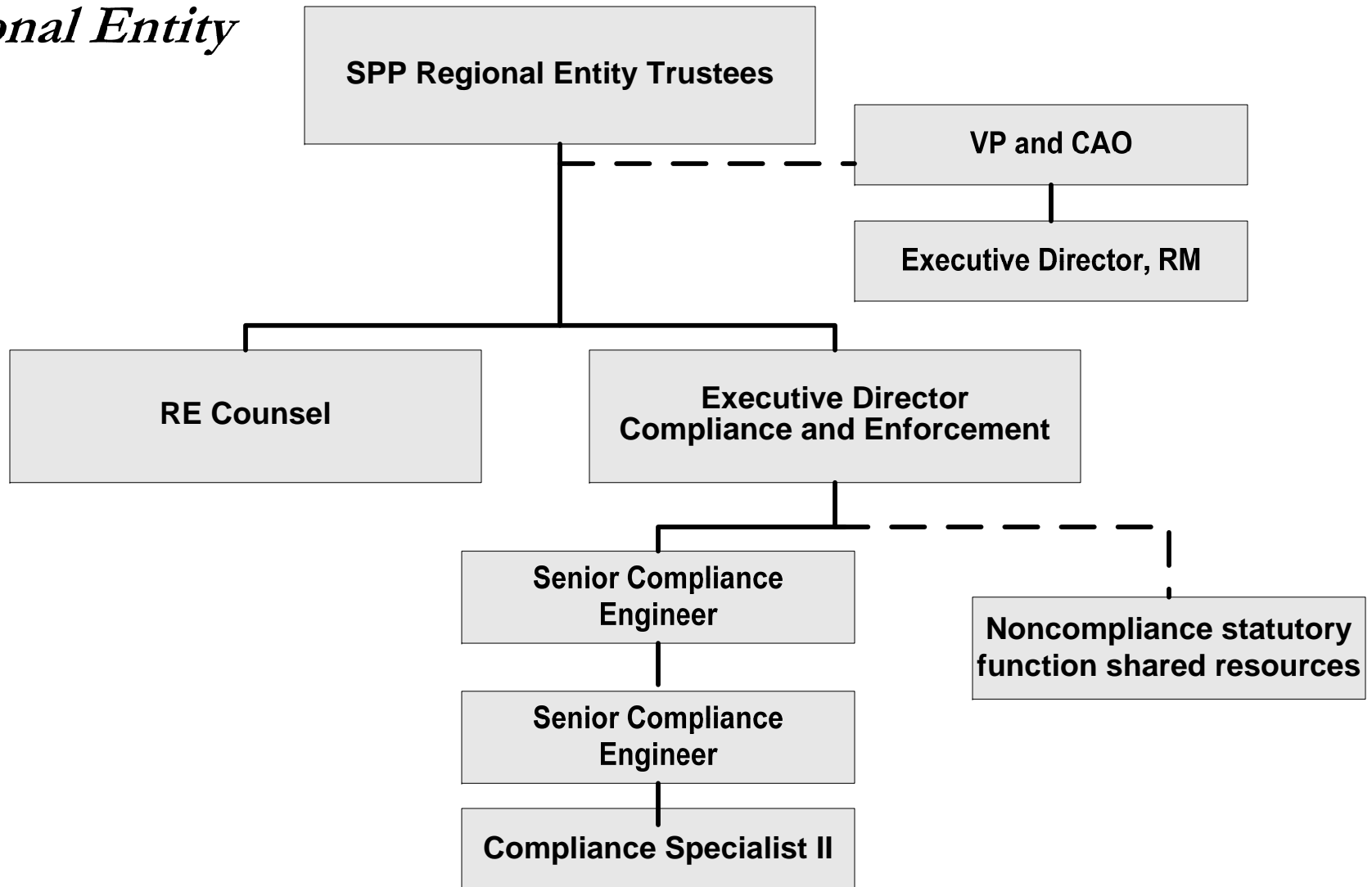
MAJOR ACCOMPLISHMENTS/ISSUES ADDRESSED BY THE GROUP:

1. **Item one...**
2. **Item two...**
3. **Item three...**

MAJOR PENDING ISSUES BEFORE THE GROUP:

1. **Item one...**
2. **Item two...**
3. **Item three...**

* Meeting costs include hotel expenses (room rental, A/V, food and beverage), estimate of teleconference expenses, and Director fees for attendance.



**SPP Regional Entity Standard Update
Underfrequency Load Shedding (UFLS)
For the RE Trustees Meeting April 23, 2008**

The SPP's System Protection and Controls Working Group (SPCWG) was assigned as the SPP Standards Drafting Team for the SPP UFLS Regional Standard. This standard is being developed under the SPP Regional Standards Development Process approved by FERC.

Per that Process, the SPCWG was assigned by the Markets Operations and Policy Committee to act as the regional Standards Drafting Team (SDT) for this standard.

The SPCWG held a regular scheduled meeting on March 6 and 7. During the morning of March 7, the SPCWG Chair, Lynn Schroder convened a session of the SDT. The following was discussed:

The first draft prepared by SPP Staff was reviewed and several items were discussed. The SDT determined that the format of the first draft was acceptable. There was some discussion on whether the restoration portion of SPP Criteria 7.3 needed to be included in the draft. The SDT agreed that the restoration should not be included in the draft. It was also determined that the applicability section needed to be consistent with the NERC continent-wide standard. It was also discussed that the draft needs to use the terminology 'no external time delay' instead of any intentional time delay'.

Lynn Schroeder, SPCWG chair recommended that the group would split up the draft and each member would work on a specific section of the draft (6 requirements) before the next SDT meeting. Assignments were made to the members of the SDT. Team comments on each of 6 requirements will be sent to the SPCWG exploder list by the end of April.

SPP staff will tie the draft back to the specific NERC characteristics before the next meeting. SPP staff will also look at the NERC continent-wide standard and remove all items from the draft that are duplicated in the NERC standard.

The next net-meeting for SPP UFLS SDT will be held on May 6 to discuss the SPP UFLS standard draft.

Since the SPP UFLS standard is being developed to satisfy the NERC continent wide requirements for each region, it is worthwhile to report the status of the NERC SDT work on the continent wide standard here.

As of March 14, 2008, the project continues to fall further behind schedule, but for good reasons. A NERC staff review held March 7 will cause the NERC SDT to work at least 4 more weeks on the documents before they can be ready for

public posting on the NERC website. The first posting for the NERC Continent wide standard is expected by April 30, 2008.

**Southwest Power Pool Regional Entity
February 2008 Budget Report**

For February 2008, the SPP RE continues to be under budget by 46.5%. The cumulative year to date total for RE charges is now 39.1% under budget assuming an even distribution of the annual costs over 12 months. The total direct costs (man-hours) tracked was 1160.5 hours, approximately equal to the hours tracked in January. This represents a cumulative year to date man-hours equivalent (based on 12.4 FTEs budgeted for 2008) of 40.5 % under budget which is consistent with the year to date budget variance. Overall, SPP RE costs incurred for the year is consistent with the man-hours being tracked to the RE activities.

Since man-hours tracked to RE activities are dependent upon when shared staff actually engage in RE activities, there is an expectation that the variance seen in the first two months of this year will not continue as RE activities vary from month to month.

The largest portion of RE costs, 46.7 % was attributed to RE staff time for Compliance Enforcement and Legal and Regulatory activities. The next most significant portion, 24.7% was reported by shared staff for RE training activities. Reliability Assessments represented 12.4% of the February RE man-hours. 55 man-hours were tracked for Standards Development to prepare for and meet to develop the SPP UFLS regional standard.

With the exception of a law license fee, the expenses reported for the RE in February were all travel related and are consistent with the duties relevant to the RE Delegation Agreement program areas.



RE Training Report

April 11, 2008

Report Highlights

- In 2007 through Regional Entity training, SPP awarded 8,745 continuing education hours (CEH) to its members and to SPP operations personnel.
- Twenty three entities participated in Regional Entity training in 2007.
- Year-to-date CEH awarded to members for first quarter 2008 have outpaced the 2007 first quarter CEH numbers by approximately 200.
- Net conference and regional emergency operations classroom enrollment has doubled from 2007.
- Restoration drill enrollment for 2008 is up approximately 18% from 2007.
- Current enrollment for the regional restoration drill on April 15-17 includes 24 of 25 entities.
- There will be 290 additional CEH offered for the remainder of 2008.

The three tables below provide information by course and year.

**Table I
2007 Breakdown by Course**

Year	Training Event	Average Individual Participation	CEH Offered per Event	Event Occurrence per Year	Total CEH Available	Total CEH Awarded in 2007
2007	Subregional Restoration Drills	28	16	8	128	
2007	Regional Restoration Drills	69	24	2	48	
2007	Regional Emergency Operations Classes	6	20	5	100	
2007	Emergency Operations Net Conferences	10	2	24	48	
2007	System Operations Conferences	55	24	2	48	
						8745

**Table II
2008 Breakdown by Course**

Year	Training Event	Average Individual Participation YTD	CEH Offered per Event	Event Occurrence per Year	Total CEH Available	Total CEH Awarded YTD
2008	Subregional Restoration Drills	33	16	7	112	
2008	Regional Restoration Drills	NA	24	2	48	
2008	Regional Emergency Operations Classes	13	20	6	120	
2008	Emergency Operations Net Conferences	20	2	21	42	
2008	System Operations Conferences	55	24	2	48	
						2080

**Table III
Upcoming Events for 2008**

Date	Event	CEH Available
4/15-17	Regional Restoration Drill	24
4/28-5/1	System Operations Conference	24
5/13-15	Regional EOPS Classroom	20
5/20-22	Regional EOPS Classroom	20
6/3	EOPS Net Conference	2
6/5	EOPS Net Conference	2
6/10	EOPS Net Conference	2
6/12	EOPS Net Conference	2
6/19	EOPS Net Conference	2
6/24	EOPS Net Conference	2
6/26	EOPS Net Conference	2
7/15-16	Train-the-Trainer Professional Development	20
9/9	EOPS Net Conference	2
9/11	EOPS Net Conference	2
9/16-17	North Subregional Restoration Drill	16
9/23	EOPS Net Conference	2
9/25	EOPS Net Conference	2
10/6-9	System Operations Conference	24
10/14	EOPS Net Conference	2
10/21-22	East and South Subregional Restoraton Drill	16
10/28	EOPS Net Conference	2
10/29-30	Train-the-Trainer Professional Development	20
11/4-5	West Subregional Restoration Drill	16
11/11-13	Regional EOPS Classroom	20
11/18-20	Regional Restoration Drill	24
12/2-4	Regional EOPS Classroom	20
TOTAL CEH AVAILABLE		290