



**Southwest Power Pool Regional Entity**  
**SPP REGIONAL ENTITY TRUSTEE MEETING**  
**July 21, 2008**  
**Plaza West Building – Little Rock, AR**

**• MINUTES •**

**Agenda Item 1 – Administrative Items**

Chairman John Meyer called the meeting order at 12:15 p.m. Others in attendance were Trustees Dave Christiano and Gerry Burrow; Michael Desselle; Charles Yeung; Kevin Sanson; Jim Williams; Shon Austin; Joe Gertsch; Fred Meyer, Empire District Electric; Leon Ganser, Xcel Energy and Alison Hayes, corporate secretary.

Minutes from April 23 and June 24, 2008 Trustee meetings were presented for approval. The following change will be made on the April 23, 2008 minutes: RFC will be changed to RSC. Gerry Burrows made a motion to accept both sets of minutes with the amendment reflected in these minutes. Dave Christiano seconded the motion, which passed unanimously. (Attachment 1)

The Regional Entity Trustees Self-Assessment Survey was discussed. John Meyer has written a preliminary draft and will forward to the other Trustees for suggestions and approval.

The Registered Entity Survey to assess SPP RE was discussed. Ron Ciesiel explained updates that have been made. The RE staff was directed to send the survey out by August 1, 2008. The target distribution list will be SPP Registered Entities and the Market Operations and Policy Committee (MOPC) email exploder. The survey will be sent using either Corporate Communication's email address or a "dummy" address, to be designed. (Attachment 2)

The 2008 SPP RE organizational chart was distributed and changes reflecting the addition of new employee positions and staff names were reviewed. (Attachment 3)

**Agenda Item 2 – Past Action Items**

Charles Yeung reported on Action Items in accordance with the Status Report (Attachment 4).

**Agenda Item 3 – Quarterly Activity Report – Ron Ciesiel**

- a. Post June 18, 2007 through July 17, 2008 – 54 violations. (Attachment 5)
- b. June 17, 2008 Event Update – Event Analysis team was discussed. SPP RE needs a NERC representative for the analysis team. First report anticipated by mid August, 2008. (Attachment 6)
- c. Criteria 11 – The MOPC approved SPP Criteria 11 was discussed. The Trustees issued the following resolution accepting Criteria 11 as drafted, with two minor changes pursuant to paragraph 11.0, System Disturbance Reporting. (see resolution below). The last sentence was changed from "all applicable entities" to "all applicable registered entities" and "within the Regional Entity" was changed to "within the SPP Regional Entity footprint." Dave Christiano made a motion to adopt the resolution as amended by the Trustees and Gerry Burrows seconded the motion which passed unanimously.

***Resolution:***

***The RE Trustees approve the modified criteria 11 as approved by the MOPC on July 15, 2008 and resolve that Criteria 11 shall serve as a reporting procedure for***



*all applicable registered entities within the SPP Regional Entity (RE) footprint in order to meet the requirements of NERC Standard EOP-004. The SPP Regional Entities Trustees respectfully encourage the SPP Board of Directors to adopt Criteria 11 as stated.*

SPP RE will distribute Criteria 11 to SPP RE Registered Entities to inform them of the new criteria requirement. (Attachment 7)

- d. CIP Standards – Shon Austin has been assigned to act as the CIP standards SPP RE internal representative. The July 2008 Semi-Annual CIP Survey/Self-Certification current statistics were discussed in accordance with the report. (Attachment 8)
- e. SPP RE Compliance Personnel Report – RE time expenditures were discussed pursuant to the attached report. Mr. Ciesiel requested that a 2009 personnel position be approved for hire in 2008. Gerry Burrows made a motion to approve the unbudgeted expense and John Meyer seconded which passed unanimously. (Attachment 9)

Ron announced the addition of Joe Gertsch to the RE staff.

- f. Other – Ron Ciesiel distributed a non-confidential version of the recent semi-monthly Trustees report from the RE. (Attachment 10)

#### **Agenda Item 4 – SPP RE Standards Development Report**

Charles Yeung reported that the SPCWG met two times since the April Trustees meeting to work on the UFLS Regional Standard. The Region cannot approve the standard until NERC approves a national version. Alison Hayes is meeting with an MRO representative on Tuesday to discuss implementation of the voting tool for the standard. (Attachment 11)

#### **Agenda Item 5 – RE Training Report**

Charles Yeung made a report in accordance with the attachment. (Attachment 12)

#### **Agenda Item 6 – RE Budget Report**

Charles Yeung reported on the monthly RE tracking budget report and the final RE budget report sent to NERC for approval on July 10, 2008. The disparity in adder between \$110 per work hour and \$101 was discussed and explained by Scott Smith. (Attachment 13)

The final SPP RE budget draft has been submitted to NERC per the Trustees approval.

#### **Agenda Item 7 – Nebraska Update**

Michael Desselle reported that SPP and three Nebraska Companies are currently in discussions regarding their transfer from MRO to SPP.

#### **Agenda Item 8 – FERC Audit**

John Meyer reported that an exit interview was conducted by FERC with SPP RE regarding their initial findings and recommendations. A final report will be forthcoming. The details of the findings were discussed in Executive Session.

#### **Agenda Item 9 – RE Administrative Assistant Position**

Alison Hayes reported that an offer has been extended and accepted by an applicant for the Administrative Assistant position. Barring problems with pre-employment screening, she is scheduled to start August 1, 2008.

#### **Agenda Item 10 – Summary of New Action Items**

Alison Hayes reviewed new action items:

- a. Michael and Alison will work with Communications to get the SPP RE assessment survey distributed by August 1, 2008.



- b. Michael will check with MRO about Administrative Hearings they have posted.
- c. Alison will research and begin drafting a confidentiality agreement for Engineers-in – Training and possibly all SPP RE employees.
- d. Michael will get with Jim Gunnell about providing CEH hours for CIP training and other programs.
- e. Michael will get with Jim Gunnell about relaying training opportunities to parties outside of the SPP purview.
- f. Charles will obtain NERC's schedule for forthcoming fill-in-the-blank standards.

**Agenda Item 11 – Future Meeting Dates and Places**

Alison Hayes reported that the next scheduled Trustee meeting is January 30, 2009 in Austin, TX. (Attachment 14)

With no further business, the meeting was adjourned to Executive Session where the FERC audit and personnel issues were discussed.

Respectfully submitted,

Alison Hayes  
Corporate Secretary



**Southwest Power Pool Regional Entity  
REGIONAL ENTITY TRUSTEES MEETING  
April 23, 2008  
Skirvin Hotel – Oklahoma City, OK**

**• MINUTES •**

**Agenda Item 1 – Administrative Items**

John Meyer called the meeting to order. 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 Terri Eaton, Xcel Energy; Bary Warren, Empire District Electric Company; Jim Stetson, FERC; Rich Heidorn, FERC; Adina Lauster, FERC and Arnie Quinn, FERC.

Mr. Meyer referred to draft minutes for the January 30, 2008 meeting and asked for corrections or a motion for approval (RET Minutes 1/30/08 – Attachment 1). Charles Yeung requested that the spelling of Lanny Nickell's name be corrected in Agenda Item 10. 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 2).

**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 SPP RE will begin requiring physical evidence of Pre-June 18<sup>th</sup> violations and will spot check if unsure beginning in May 2008. Mr. Ciesiel reported that the RE has closed the 2007 self-certification program with 100% response. He reported that there have been 49 post June 18<sup>th</sup> violations for calendar year 2007. Two of these violations are enforceable with potential financial penalties.

Mr. Ciesiel announced that Jim Williams has joined the SPP RE staff as of April 1, 2008. He will become a lead auditor. Mr. Ciesiel requested that one of the approved 2009 staff positions be approved for hire in 2008. He explained his reasons (Attachment 3) and after discussion, Gerry Burrows made a motion to approve an unbudgeted staff position for 2008. Dave Christiano seconded the motion and it passed unanimously.

**Agenda Item 4 – SPP RE and NERC Standards Development Report**

Charles Yeung reported that one SPP regional standard has been requested and presented to MOPC, which assigned it to SPCWG for scoping and drafting. The working group has had one meeting and will convene via teleconference in May. He stated that three more fill in the blank standards are coming from NERC for development through SPP processes.

**Agenda Item 5 – 2008 and 2009 Budget Reports (Attachment 4)**

Charles Yeung reported that in the first quarter of 2008, SPP RE was \$426,222 or 37% under budget. The RE has spent \$748,000. He stated that 3,473 man hours have been tracked which equates to 2 full time employees (FTE) per quarter or 7 FTEs per year. Mr. Yeung was asked to make a report to the Trustees in 2-4 weeks explaining why the variance in the budget is so high.

Mr. Yeung reported that the first unapproved 2009 budget draft is due to NERC by May 9, 2008. No Trustee approval is necessary. A conference call will be scheduled before the final draft is due to make any last minute changes. John Meyer requested that a footnote be added to the budget explaining that contractors are not included in the projected FTEs for 2009. The Trustees requested that the "hearing expense" reflected in the budget be moved to the legal section.

Ron Ciesiel presented an organizational chart reflecting the SPP RE compliance department proposed staffing needs (Attachment 5).

After discussion, Dave Christiano made a motion to hire an unbudgeted administrative assistant in the SPP RE in 2008. Gerry Burrow seconded and the motion passed unanimously.

**Agenda Item 6 – SPP RE Training Report (Attachment 5)**

Charles Yeung presented a 2007-2008 training report provided by Jim Gunnell, SPP.

**Agenda Item 7 – Summary of New Action Items**

Alison Hayes reviewed the summary of new action items:

- The Trustees will review the RE registered entity survey and make comments within two weeks. They will vote to approve the survey for distribution at the July meeting.
- Ron Ciesiel will modify the training report, via Jim Gunnell, to reflect non CEH (continuing education hours) activities.
- Charles Yeung will get the revised 2009 budget to the Trustees for review and the Trustees will present comments to Mr. Yeung before May 5<sup>th</sup>.

**Agenda Item 8 – Discussion of Future Meetings**

Alison Hayes reported that the Trustees have changed their next quarterly meeting from July 30, 2008 to July 21, 2008 due to scheduling conflicts. The meeting will be in the SPP Little Rock office beginning at 10:30 a.m.

The following meeting is scheduled for October 30, 2008.

John Meyer announced to the FERC staff in attendance that all future information pertaining to the SPP RE, in regards to the FERC audit, must go through Alison Hayes.

With no further business, the meeting was adjourned to Executive Session where personnel matters and enforceable violations were discussed.

Respectfully submitted,

Alison Hayes  
Secretary



**Southwest Power Pool Regional Entity  
REGIONAL ENTITY TRUSTEES MEETING**

**June 24, 2008**

**Conference Call**

1. Chairman John Meyer opened the meeting at 1:35 pm to review and approve the 2009 SPP RE Business Plan and Budget for submission to NERC. Those in attendance were John Meyer, Dave Christiano, Gerry Burrows, Scott Smith, Tom Dunn, Charles Yeung, Michael Desselle, Ron Ciesiel and Alison Hayes, secretary.
2. After discussion, the Trustees requested that Charles Yeung make the following changes to the 2009 SPP RE Business Plan and Budget:
  - a. Page 4 – add a bullet under “Primary Objectives” reflecting the enhancement of reliability assessments and performance analysis.
  - b. Page 21 – Add to footnote #6 a reference to the explanation on page 24 pertaining to changes in SPP RE meeting and travel expenses.
  - c. Page 24 – Add explanation about how \$86,000 for net conferences was accounted for under the 2008 indirect costs.
3. Gerry Burrows made a motion to approve the 2009 Business Plan and Budget with the suggested changes and submit to NERC. Dave Christiano seconded the motion. The motion passed unanimously.
4. The Trustees requested that any significant changes to the document made by NERC, be provided to them for discussion.
5. Gerry Burrows will represent SPP RE in Kansas City at the SPP Board of Directors and RFC meeting July 29-30, 2008. No other Trustees will be in attendance.
6. Chairman Meyer requested that Michael Desselle and/or Alison Hayes make a formal presentation at the July 21, 2008 SPP RE Trustee meeting, regarding the current FERC audit.

The meeting was adjourned at 2:38 pm.

Respectfully submitted,

Alison Hayes  
Corporate Secretary



## 2008 SPP Regional Entity Survey

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

Registered  
Entity

Regulatory

Other

If other, please specify:

---

**Next ▶**

**My organization is:**

- Investor-owned
- Municipal
- Cooperative
- Governmental agency
- Other

**What is your role within your organization?**

- Operati  
ons
- Engineer  
ing
- Technical  
/IT
- Policy/Regulatory  
/Legal
- Executi  
ve  
(Direct  
or or  
Officer
- Other
- If other, please specify:





Compliance Monitoring and Enforcement

**Comments:**

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

**Please rank from 1 (least interaction) to 5 (most interaction).**

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

**Do you interact with other Regional Entities?**

Yes

No

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

Much worse





Materials are well-prepared.



**Comments:**

A large empty rectangular box for writing comments. It features a small icon in the bottom-left corner and a scroll handle on the right side.

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

A large empty rectangular box for listing satisfied characteristics. It features a small icon in the bottom-left corner and a scroll handle on the right side.

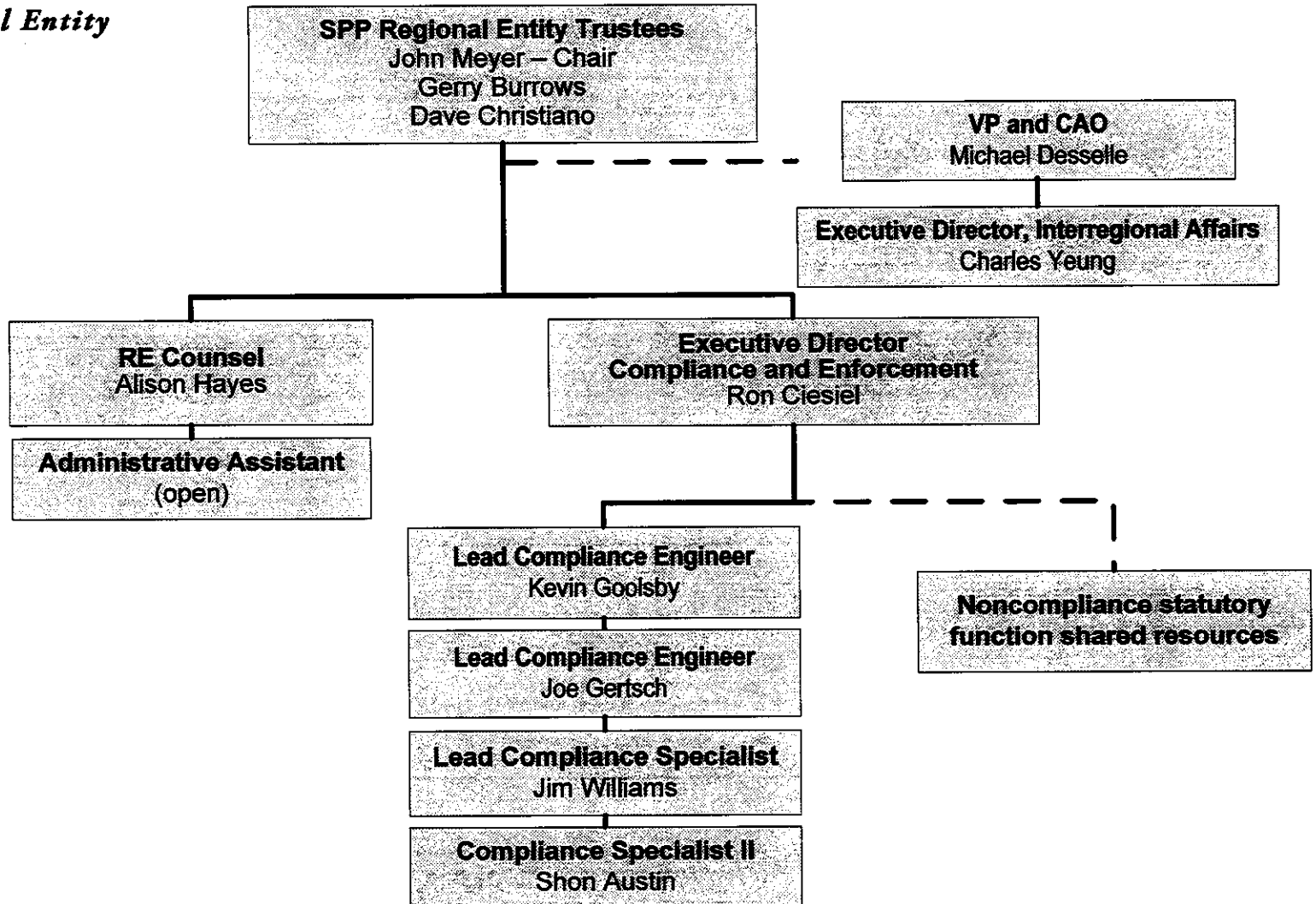
**Please list any characteristics of the SPP RE with which you are DISSATISFIED.**

A large empty rectangular box for listing dissatisfied characteristics. It features a small icon in the bottom-left corner and a scroll handle on the right side.

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

A large empty rectangular box for sharing remaining thoughts. It features a small icon in the bottom-left corner and a scroll handle on the right side.

# 2008 Organizational Chart





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

July 21, 2008

	Action Item	Date Originated	Status	Comments
1.	Trustees review the RE registered entity survey and make comments within two weeks (from the date of the April meeting). They will vote to approve the survey for distribution at the July meeting.	4/23/08	Trustees Review	Need to discuss for action at July 21 Trustees meeting
2.	Modify the training report, via Jim Gunnell, to reflect non CEH (continuing education hours) activities.	4/23/08	The 2 <sup>nd</sup> quarter Training Report includes an addendum for non-CEH hour training. This report reflects non-CEH training for all 2008.	Assigned to Ron Ciesiel
3.	Provide a revised 2009 budget to the Trustees for review and the Trustees will present comments to Mr. Yeung before May 5 <sup>th</sup> .	4/23/08	Completed	Ver 1 of the 2009 SPP RE Business Plan and Budget submitted to NERC on May 5 with Trustees' comments included.

Agenda Item 3a

Post-June 18<sup>th</sup> 2007 Violation Status

Total Enforceable Violations Reported as of July 13, 2008: 54 Violations

**Status**

Initial Review Status	5 Violations
Alleged Violation and Penalty Notice Issued	36 Violations
Violation and Penalty Accepted [under RE review]	7 Violations
Violation and Penalty in Settlement	1 Violation
Confirmed Violation/Posted by NERC	<u>5 Violations</u>
Total	54 Violations

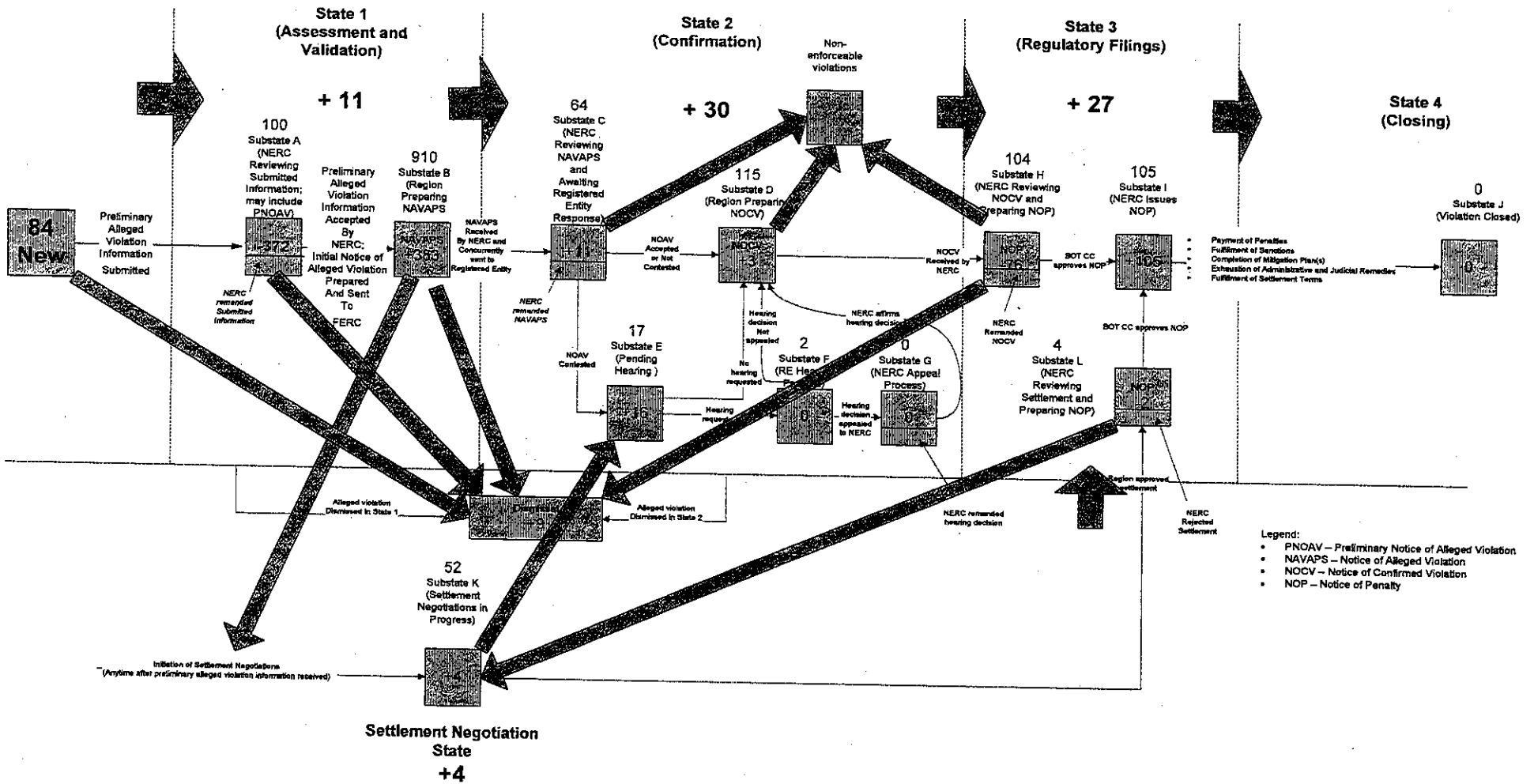
Pre-June 18<sup>th</sup> 2007 Violation Status

**Status**

Open Violation under approved mitigation plan	1 Violation
---	-------------

# Violation Process States and Underlying Process Sub states

Snapshot comparison between May 25, 2008 and June 25, 2008





**Violation Process State Summary Table — Enforceable Alleged Violations**

Below is a breakdown, as of June 25, 2008, of the Compliance Monitoring and Enforcement Program (CMEP) Violation “state” summary for all 1473 violations.

Region	Substate A (NERC Reviewing)	Substate B (Region Preparing NOAV)	Substate C (NERC Reviewing NOAV and awaiting RE Response)	Substate D (Region Preparing NOCV)	Substate E (Pending Hearing)	Substate F (RE Hearing Process)	Substate G (NERC Appeal Process)	Substate K (Settlement Negotiations)	Substate H (NERC Reviewing NOCV)	Substate L (NERC Reviewing Settlement Agreement)	Substate I (NERC Issues NOP/NOS)	Substate J (Violation Closes)	Total
FRCC	0	41	5	17	0	0	0	0	16	0	0	0	79
NPCC	0	16	0	0	0	0	0	0	1	0	12	0	29
SERC	14	8	0	0	0	0	0	36	12	4	70	0	144
TRE	0	1	0	0	0	0	0	15	18	0	10	0	44
<b>TOTAL</b>	<b>100</b>	<b>910</b>	<b>64</b>	<b>115</b>	<b>17</b>	<b>2</b>	<b>0</b>	<b>52</b>	<b>104</b>	<b>4</b>	<b>105</b>	<b>0</b>	<b>1473</b>

**Definitions**

- Substate A = Preliminary Notice of Alleged violation information has been received from the Region but no Initial Notice has been issued to FERC.
- Substate B = Region is preparing the Notice of Alleged Violation Proposed Penalty or Sanction.
- Substate C = NERC has received Notice of Alleged Violation Proposed Penalty or Sanction and is awaiting acceptance, auto acceptance or contest.
- Substate D = Region received acceptance letter from Registered Entity, or 30 day clock expired and violation is Auto Accepted and is now Confirmed.
- Substate E = Region has received letter contesting violation from Registered Entity.
- Substate F = Region has received request for Hearing from Registered Entity.
- Substate G = NERC has received request for Appeal from Registered Entity.
- Substate H = NERC has received a Notice of Confirmed Violation from the Region.
- Substate I = Violation is Confirmed/Settled and a Notice of Penalty or a Notice of Settlement has been issued by NERC to Registered Entity and submitted to FERC.
- Substate J = Payment of Penalties, Fulfillment of Sanctions, Completion of Mitigation Plan, Exhaustion of Administrative and Judicial Remedies, and Fulfillment of Settlement terms have all been met and violation is closed.
- Substate K = Settlement negotiations are in progress.
- Substate L = NERC has received a Settlement Agreement from the Region.

\* Includes new violations processed through 6/25/2008.

Report Date: 6/26/2008

## Summary of All Post June 18th Alleged Violations by Region

Table 1 is a breakdown, as of June 25, 2008 of the Compliance Monitoring and Enforcement Program (CMEP) alleged violation summary for all 1734 submitted violations.

**Table 1**

Region	No. of Violations	Dismissed	Non Enforceable	Enforceable	Non-Document Related	Document Related
FRCC	84	0	5	79	45	34
MRO	51	6	4	41	9	32
NPCC	38	8	1	29	1	28
RFC	65	1	1	63	33	30
SERC	157	9	4	144	42	102
SPP	53	0	0	53	33	20
TRE	45	1	0	44	29	15
WECC	1241	212	9	1020	496	524
<b>Total</b>	<b>1734</b>	<b>237</b>	<b>24</b>	<b>1473</b>	<b>688</b>	<b>785</b>

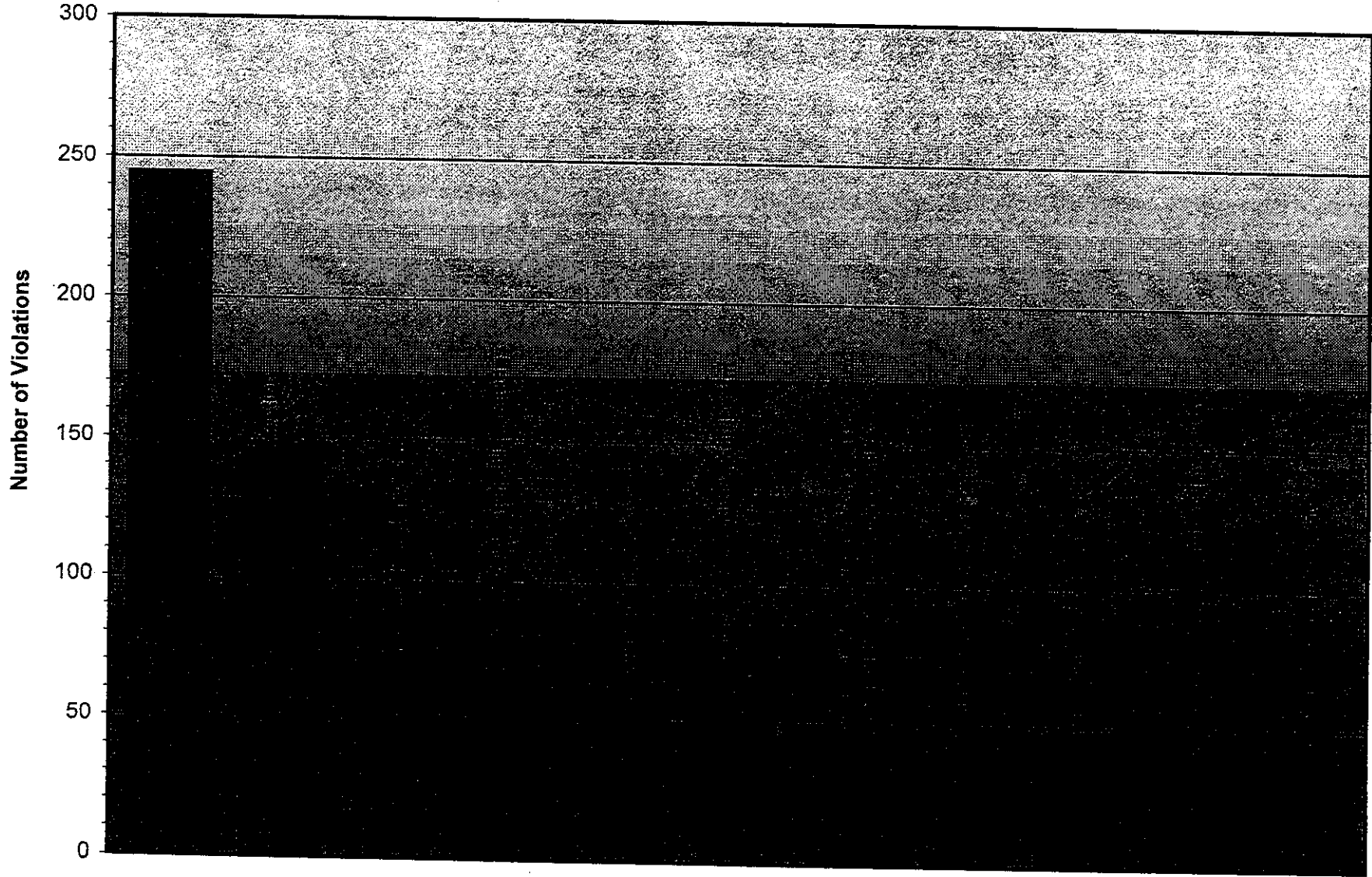
\* Includes new violations processed through 6/25/2008 .

† 106 of the WECC dismissals were for pre-June 25 violations by qualifying facilities.

Post June 18 State Summary

Report Date: 6/26/2008

### Top Enforceable Violated Standards thru June 25, 2008



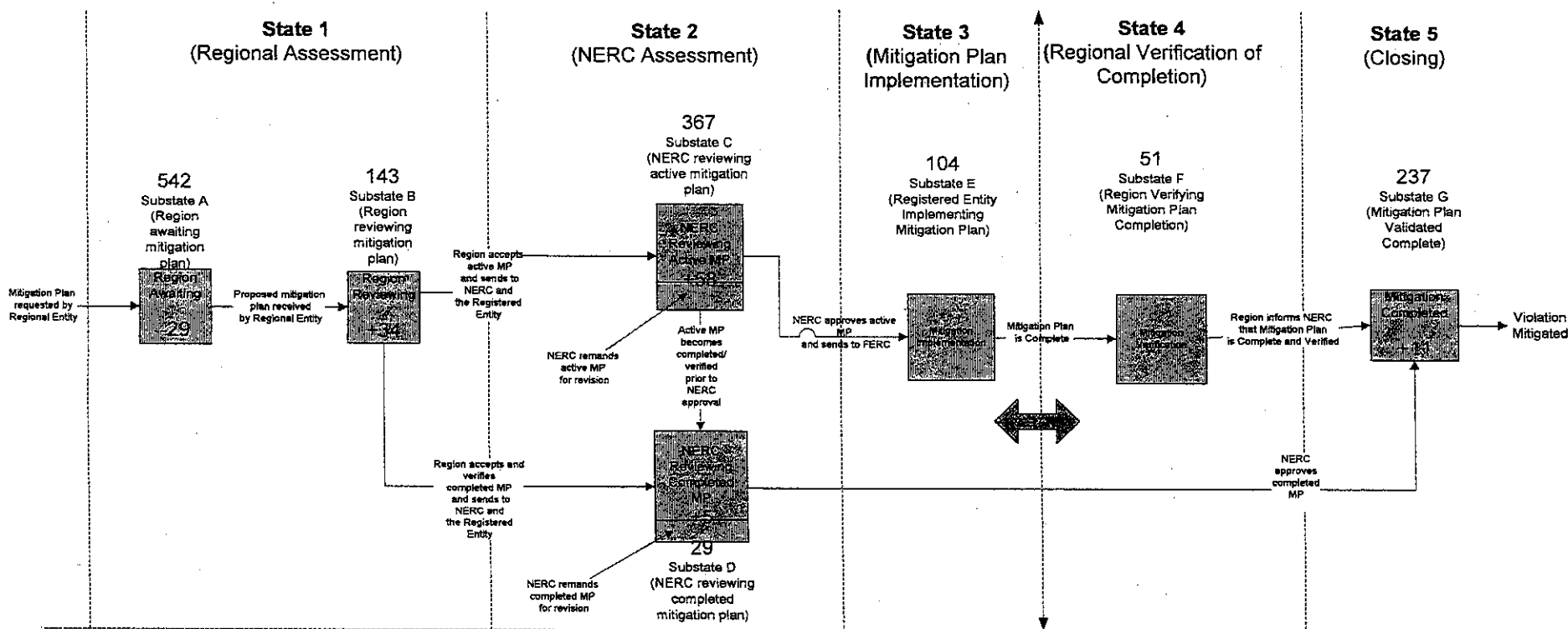
Excludes non-enforceable and dismissed violations.

**Standards**

**Confidential**

# Mitigation Process States and Underlying Process Substates

June 25, 2008



### Mitigation Plans Process State Table — Enforceable Alleged Violations

Below is a breakdown, as of June 25, 2008, of the Compliance Monitoring and Enforcement Program (CMEP) Mitigation Plan “state” summary for all 1,473 violations.

Region	Substate A	Substate B	Substate C		Substate D	Substate E	Substate F	Substate G	Total
	Region Awaiting	Region Reviewing	Accepted MP Not Received from Region	NERC Reviewing Active MP	NERC Reviewing Completed MP	Registered Entity Implementation	NERC Awaiting Regional Verification of MP Completion	Mitigation Plan Validated Complete	
FRCC	31	4	0	1	1	19	8	15	79
NPCC	12	0	0	0	4	0	1	12	29
SERC	53	3	0	0	0	2	6	80	144
TRE	16	0	0	6	0	0	2	20	44
<b>TOTAL</b>	<b>542</b>	<b>143</b>	<b>314</b>	<b>53</b>	<b>29</b>	<b>104</b>	<b>51</b>	<b>237</b>	<b>1473</b>

#### Definitions

Substate A = Region is still awaiting receipt of mitigation plan from Registered Entity.

Substate B = Region has received mitigation plan and is reviewing.

Substate C = NERC has received mitigation plan and is reviewing. Also includes any mitigation plans not yet received by NERC.

Substate D = Mitigation plan has been verified completed by the Region but is still awaiting approval by NERC.

Substate E = Mitigation plan has been approved by NERC, and sent to FERC, but has not been completed.

Substate F = Mitigation Plan has been completed per Registered Entity and is being verified by the Region.

Substate G = Mitigation plan has been verified completed by Region, has been approved by NERC, and sent to FERC.

• Includes new violations processed through 6/25/2008.

Report Date: 6/30/2008

**Mitigation Plan Summary of Pre-June 18<sup>th</sup> Violations**

Below is a breakdown of the remaining unmitigated pre-June 18<sup>th</sup> violations occurring between January 2005 and June 18, 2007, by Region, updated as of June 25, 2008.

ERCOT	0	0	0	0	0	0	0	0	1	1
FRCC	0	4	6	0	7	7	187	172	190	203
MRO	0	0	0	0	0	0	0	0	0	0
NPCC	0	0	0	0	0	0	0	0	0	0
RFC	0	0	0	0	0	0	0	1	12	12
SERC	0	0	0	0	0	0	0	0	8	8
SPP	0	0	0	0	0	1	0	0	0	1
WECC	0	0	0	0	7	8	7*	202	482**	490
<b>TOTAL</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>14</b>	<b>16</b>	<b>194</b>	<b>375</b>	<b>694</b>	<b>824</b>

**Definitions**

Target Date Past = Violations that are listed as “In Progress” or “To be determined” per the region’s linear spreadsheet that have an Estimated Mitigation Completion Date which has past.

\*WECC alleged violations are considered to be RMS violations.

\*\*Completed mitigation plans in review by WECC and not reflected in the above Unmitigated numbers: 769.



Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
(501) 614-3265 • Fax: (501) 664-6923

Ronald W. Ciesiel  
Executive Director of Compliance

June 26, 2008

**Notice of Formation of Event Analysis Team for Event on the Southwestern Public Service Company [SPS] System on June 17, 2008**

Greetings:

During the evening hours of Tuesday June 17, 2008, a sequence of events occurred that resulting in the interruption of service to over 600 MW of load and an equivalent amount of generation. Also during this event, approximately 50% of the load that was interrupted was interrupted by the actions of the SPS Underfrequency Load Shedding program.

After reviewing the Department of Energy [DOE] reports filed by SPS and Golden Spread Electric Cooperative, the SPP Regional Entity [SPP RE] is calling for a formal Event Analysis to be performed on this event and a report published of the results of this analysis. The SPP RTO and SPS have already begun to collect technical data from your company and by copy of this letter, **I am requesting that in addition to the technical data previously requested by the SPP RTO, that your company archive and make available upon request all pertinent information pertaining to this event. The information that needs to be archived and retrievable includes but is not limited to all voice recordings concerning the event, memos, e-mails, load flow studies, contingency analysis studies, disturbance monitoring equipment printouts or database, SCADA/EMS data, employee statements, and operator logs pertinent to this event.**

The following people will join Robert Rhodes of the SPP RTO and Bill Grant of SPS on the analysis team. The SPP RE will be represented by Jim Williams of the SPP RE staff and Ev Lucenti of Power Decision Consulting. Jay Caspary of the SPP RTO staff has been asked to join the team in his capacity as the SPP representative to the NERC Disturbance Analysis Working Group. Other personnel may be assigned as needed.

The goal of the team is to produce a comprehensive analysis report of the events of June 17<sup>th</sup> and, if necessary, issue recommendations for performance improvement to the parties directly involved in the event and/or general recommendations to all Bulk Electric System participants. The analysis team should also review the reporting requirements and timelines contained in NERC Reliability Standards EOP-004-1 and PRC-009-0.

### Background Information for Agenda Item 3c

SPP Criteria 11 [Disturbance Reporting] was issued in December 1998 and was identified in 2007 as a candidate for revision by the SPP Operating Reliability Working Group [ORWG] and the SPP Regional Entity Staff.

The ORWG and the SPP RE staff collaborated on a revision to this Criteria [see attachment] that can be applied to all Registered Entities in the SPP RE footprint regardless if it is a member of SPP, Inc. or not. The revised Criteria includes the reporting requirements of the Registered Entities, the oversight of any required event analysis by the SPP System Protection & Control Working Group [SPCWG] and the SPP RE staff, and the monitoring of final report recommendations by the SPP RTO compliance group.

The ORWG approved the updated Criteria on July 9, 2008 and will present it to the SPP Markets & Operations Policy Committee [MOPC] for approval at its July 15-16<sup>th</sup> meeting. It will then be presented to the SPP Board of Directors for its approval at its July 29, 2008 meeting.

The action requested of the Regional Entity Trustees is to endorse the proposed Criteria 11 and direct the SPP RE staff to implement it across the SPP RE footprint after approval by the SPP Board of Directors. Please note that any changes to the attached version of the Criteria 11 approved by the SPP MOPC will be discussed at the Trustees meeting on July 21, 2008.

Requested by:  
Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity

July 13, 2008





**Southwest Power Pool, Inc.**  
**OPERATIONAL RELIABILITY WORKING GROUP**  
**Recommendation to the Markets & Operations Policy Committee**  
**July 15-16, 2008**

**Organizational Roster**

The following members represent the Operational Reliability Working Group:

Kelson Energy	Mr. Jason Atwood
American Electric Power	Mr. Scott Lockwood
CLECO	Mr. Danny McDaniel
Southwestern Public Service	Mr. Bill Grant
Westar Energy	Mr. Allen Klassen
Arkansas Electric Cooperative	Mr. Keith Sugg
Constellation Energy	Mr. Jim Thompson
Kansas City Power & Light	Mr. Jim Useldinger
Sunflower Electric Power	Mr. Noman Williams
Empire District Electric	Mr. Brian Berkstresser
Vacant	
Vacant	

The following stakeholders participated in group discussions:

Kelson Energy	Mr. Jason Atwood
American Electric Power	Mr. Scott Lockwood
CLECO	Mr. Danny McDaniel
Westar Energy	Mr. Allen Klassen
Kansas City Power & Light	Mr. Jim Useldinger
Southwestern Public Service	Mr. Kyle McMenamin
Empire District Electric	Mr. Brian Berkstresser

**Background**

In order to align SPP Criteria 11 (System Disturbance Reporting) with NERC Standards and previous SPP Working Group structure changes, Criteria 11 has been revised.

**Analysis**

In a meeting on July 9, 2008, the ORWG approved this criteria change with a vote of 7 in favor, none opposed, and no abstentions.

**Recommendation**

The ORWG recommends that the MOPC approve the replacement of Criteria 11 it proposes.



**Approved:** Operational Reliability Working Group

July 9, 2008

**Action Requested:** Approval of the proposed change to the Criteria.

**Attachments:** The recommended replacement of Criteria language is attached.

## **11.0 SYSTEM DISTURBANCE REPORTING**

The purpose of this Criteria is to establish and maintain a Regional reporting procedure to facilitate preparation of preliminary and final disturbance reports as described in NERC Reliability Standard EOP-004-1. This procedure specifically addresses Requirements R1, R4, and R5 of the NERC Reliability Standard EOP-004-1 for the Southwest Power Pool (SPP) Regional Reliability Organization (RRO). It also prescribes SPP RRO responsibilities in reference to Requirement R3.4. The SPP Operating Reliability Working Group (ORWG) will periodically review and, as required, update this procedure to maintain compliance with the applicable NERC Reliability Standard(s). This Criteria serves as a reporting procedure for all applicable entities within the SPP Regional Entity (RE).

### **11.1 Reporting Requirements**

This Criteria does not establish any notification or reporting requirements in addition to those already established by NERC in Standard EOP-004-1 or by the DOE for Form OE-417 and related attachments or instructions for each.

NERC Standard EOP-004-1 requires applicable entities to provide initial notification and written reports to its Regional Reliability Organization. To meet this requirement, all entities within the SPP RRO and RE footprints shall provide copies of all required notifications and written reports to each of the contacts listed in the Reporting Contacts section below.

NERC Standard EOP-004-1 Requirement R3.3. allows verbal notification to the RRO. In these cases, all entities within the SPP RRO and RE footprints shall notify and update the SPP Reliability Coordinator until a written notification or report is prepared and provided to each of the contacts listed in the Reporting Contacts section below.

All reports provided to the SPP RRO shall be duplicates of those provided to NERC.

### **11.2 Reporting Contacts**

The preferred reporting method is via e-mail sent to [SPPEVENTS@SPP.ORG](mailto:SPPEVENTS@SPP.ORG) which in

turn notifies the following:

- A. Manager, SPP Reliability Coordination
- B. Chair of the SPP System Protection and Control Working Group [SPCWG]
- C. Staff Secretary of the SPCWG
- D. SPP Regional Entity (SPP RE)
- E. SPP RTO Director of Compliance

Information that can not be sent electronically should be sent to:

Director of Compliance  
Southwest Power Pool, Inc.  
415 N. McKinley, Suite 140  
Little Rock, AR 72205

### **11.3 Regional Reliability Organization Responsibilities**

In accordance with NERC Standard EOP-004-1 Requirement R3.4, the SPP RRO must decide if a final report is required. This decision is the responsibility of the SPCWG after consultation with the reporting entity and the SPP RE staff and, if necessary, consultation with other NERC or SPP Working Groups, SPP staff, or industry experts. If a final report is required, the reporting entity shall prepare this report within 60 calendar days. The SPP RE, NERC and FERC may independently request a final report of the event if the SPP SPCWG elects not to request such a report.

Since the NERC Reliability Standard fails to specify when the 60 days begins, for the purpose of this Criteria the 60 calendar day time period begins with the date of the disturbance. Therefore, to allow the reporting entity adequate time to prepare a final report, the SPP SPCWG shall make this judgment and notification within 21 calendar days of the disturbance. If no notice is provided by the SPCWG within 21 calendar days, then a final report is not required. Please note, the SPP RE staff, NERC staff and FERC staff are not bound by these time constraints if an independent event analysis has been initiated by one of these oversight entities.

After receipt of the final report, the SPP SPCWG, after consultation with the SPP RE staff, shall approve or reject the report. If it is rejected, specific reasons shall be provided in writing to the reporting entity. The rejection notice shall specify a time period

allowed for changes or rebuttal to be prepared and submitted again to the SPP SPCWG. Disputes over final approval shall be referred to the SPP dispute resolution process as specified in the SPP Bylaws. If the SPP RE, NERC or FERC has initiated the event analysis, the appropriate oversight entity will be the approval authority of the final report.

Following approval of the final report, the SPP SPCWG or the oversight entity shall provide a copy to the SPP ORWG for information and tracking purposes only.

#### **11.4 Available Resources**

In accordance with NERC Standard EOP-004-1 Requirement R4, the SPP RRO shall make its representatives on the NERC Operating Committee and Disturbance Analysis Working Group available to the affected entity for the purpose of providing any needed assistance in the investigation and to assist in the preparation of a final report. The reporting entity may accept or decline this assistance at its discretion. The SPP RE, NERC or FERC, at their discretion, may assign representatives to the analysis team including the representatives mentioned above. The reporting entity may only reject a representative assigned by these oversight entities for good cause such as a conflict of interest.

#### **11.5 Recommendation Tracking and Reporting**

In accordance with NERC Standard EOP-004-1 Requirement R5, the SPP RRO shall track and review the status of all final report recommendations to ensure they are being acted upon in a timely manner. If any recommendation has not been acted upon within two years, or if Regional Reliability Organization tracking and review indicates at any time that any recommendation is not being acted upon with sufficient diligence, the Regional Reliability Organization shall notify the NERC Planning Committee and Operating Committee of the status of the recommendation(s) and the steps the Regional Reliability Organization has taken to accelerate implementation.

This tracking will be the responsibility of the SPP RTO Director of Compliance. The status of all recommendations shall be reported quarterly to the SPP SPCWG and the SPP ORWG until they have been completed. If the SPCWG or ORWG determines that

any recommendation is not being acted upon in a timely manner, then that working group chair will contact the reporting entity's representative on the SPP Market and Operating Policy Committee (MOPC) and request accelerated implementation.

### Agenda Item 3d

#### July 2008 Semi- Annual CIP Survey/Self-Certification

The July 2008 CIP Survey/Self-Certification [survey] was conducted NERC-wide between July 1<sup>st</sup> and July 15<sup>th</sup> of 2008.

The effective certification date of the survey was July 1, 2008.

The survey had 2 levels of activities – 1] For the largest entities, there were 13 requirements that had reached the compliant state in the implementation plan – these requirements now fall under the enforceable program effective July 1, 2008 and the applicable entities must self-certify to this requirements; and 2] all other entities and requirements are in a state less rigorous than a ‘compliant’ state and the purpose of the survey is to determine the state of the industry and to see if there needs to be increased efforts in education and monitoring.

Status of SPP RE registered entities as of Friday July 18, 2008:

Total entities surveyed:	125
Surveys received:	120 [96%]
Surveys outstanding:	5

All 5 entities requested an extension and are working on the initial submittal of their surveys. The initial notices for late data submittals per the CMEP have been issued to these entities.

The SPP RE staff is reviewing the submitted surveys for completeness and compliance issues.

The SPP RE must present the results of the survey/self-certification to NERC by August 15, 2008. At this time, the SPP RE staff expects to meet this deadline with 100% response rate for this survey.

R.W. Ciesiel  
July 18, 2008

## Agenda Item 3e

### RE Compliance Group Personnel Report

#### Personnel Update

Joe Gertsch began work on July 8, 2008 as a Lead Compliance Engineer. Joe's emphasis will be in the mitigation and enforcement area.

Kevin Sanson, Engineer, rotated into the SPP RE on July 2, 2008 as part of the SPP Engineer-in-Training program. Kevin's assignment will last approximately 3 months before he rotates out to the Regulatory Department.

Shon Austin has been reassigned internally in the RE staff and will place his emphasis on the CIP standards implementation and monitoring.

#### Staffing Analysis

Based on the first 12 months of the enforceable program, an analysis of manpower requirements for the RE compliance group reveals the following staffing requirements:

Compliance monitoring	3.25 FTE
Registration	.50 FTE
Mitigation/Enforcement	1.25 FTE
Liaison activities [NERC/SPP]	<u>.75 FTE</u>
Total	5.75 FTE

For the 1<sup>st</sup> year of the enforceable program, the SPP RE staff has limited experience and exposure in event analysis and regional hearings.

The present RE compliance staff consists of 5 FTE, including the Executive Director. The current level of activities shows the SPP RE Compliance staff is approximately one FTE short of the minimum required staff. At present, there is little time available for event analysis, regional hearings and management activities.

The original 2009 manpower request was for 6 FTE staff members plus the Executive Director. At this time, the request still appears to be appropriate



but the timing of the additions will leave the RE Compliance staff below the calculated requirements until January 2009, at a minimum.

Recent activities that will add to the manpower requirements for the remainder of 2008 is the participation in the event analysis of June 17, 2008 [ongoing], the proposed certification of SPP as a balancing authority [start October 2008], and the proposed addition of the Nebraska utilities to the SPP RE [start November 2008].

**The Executive Director requests that the RE Trustees approve an out of budget manpower request and release one of the two 2009 positions for immediate employment.**

The 2008 approved budget approved 4 FTE for the RE Compliance staff. The current projection for 2008, with the addition of Joe Gertsch, is for 4.25 FTE. Assuming approval of this request, and an employment date of October 1<sup>st</sup>, the projected total staff expenditure for 2008 will be 4.5 FTE [approximately 12.5% above the approved budget].

Respectfully submitted by:  
Ronald W. Ciesiel  
Executive Director Compliance  
Southwest Power Pool Regional Entity

July 13, 2008



PUBLIC VERSION  
REPORT TO THE SPP REGIONAL ENTITY TRUSTEES  
REGIONAL ENTITY STAFF REPORT

July 21, 2008

[Includes June 15<sup>th</sup>, June 30<sup>th</sup> and July 15, 2008 Report]

**NEW ACTIVITIES**

1. The SPP RE Staff attended or spoke at the following events during this period:
  - a. NERC Audit Observation Team
  - b. NERC/Regional Entity Review of Public Enforcement Actions
  - c. CDMS User Group meeting hosted by MRO
  - d. SPP CIPWG Meeting

**OLD BUSINESS**

**Post June 18<sup>th</sup> Violations**

1. [UPDATE] The SPP RE Notices of Confirmation [NOC] and the NERC Notices of Penalty [NOP] were publically filed for 5 Southwestern Public Service [SPS] violations. These filings have been accepted by the FERC and are now considered completed.

**Pre- June 18<sup>th</sup> Violations**

2. Pre-June 18<sup>th</sup> violations- **All pre-June 18<sup>th</sup> violations have been reported as mitigated** with the exception of the one plan that has a 12-31-08 in-service date [Western Farmers construction of a disaster recovery site].
3. [UPDATE] The RE Compliance Staff performed a spot check of several pre-June 18<sup>th</sup> mitigation plans during the week of May 26<sup>th</sup>. A report of the findings will be issued by mid-August.

**ENTITY REGISTRATION**

1. NERC issued a guidance letter on the registration of Interchange Authorities [IA] throughout North America. The SPP RE has registered two [2] IAs in the SPP RE footprint [SPP RTO and CLECO]. Based on the guidance letter, it appears the registrations in the SPP RE are correct.

## **COMPLIANCE AUDITS AND READINESS EVALUATIONS**

1. SPP RE performed an on-site compliance audit of the City of Alexandria, Louisiana during the week of July 7th
2. SPP RE performed an off-site compliance audit [performed at the SPP RE offices] of the City of Jonesboro [Arkansas], Golden Spread Electric Cooperative and the Yoakum Power Station during the week of June 23<sup>rd</sup>.
3. NERC has suspended the Readiness Evaluation Program for the remainder of 2008.

### **Event Analysis**

1. An Event Analysis team has been formed to review the events of June 17, 2008 on the SPS system. The SPP RE will be represented by Jim Williams of the RE staff and Ev Lucenti of Power Decisions Consulting.
2. The SPP Operating Reliability Working Group prepared and approved an update to SPP Criteria 11 that lists the thresholds for reporting of events and will modify the reporting procedures to meet the RE and the RTO requirements. The SPP MOPC approved these changes at its July 15<sup>th</sup> meeting.

### **PERSONNEL**

1. Joe Gertsch joined the RE staff on July 8, 2008 as a Lead Compliance Engineer.
2. Kevin Sanson has rotated into the RE group as part of the SPP Engineer in Training Program. Kevin will work with RE related activities during the July-October timeframe.
3. Alison has received an acceptance from an external candidate to fill the approved Administrative Assistant position with a proposed starting date of August 1, 2008.

### **OTHER ACTIVITIES**

1. Update on action items from recent FERC on-site audit visit and continuing data requests:
  - a. **[UPDATE]** SPP RE version of the Uniform CMEP – The SPP RE and several other regional entities that have adopted the Uniform CMEP have had difficulty keeping a customized version of the CMEP up-to-date due to the continuous changes being proposed by NERC and the confusion over the implementation status of the filings. We are contemplating using only the Uniform CMEP document on the SPP RE website rather than constantly being challenged to keep a customized version up-to-date.
2. **[UPDATE]** The projected launch of the SPP RE newsletter has been delayed until the third quarter.

3. The SPP RE will sponsor a CIP workshop on August 13<sup>th</sup> and 14<sup>th</sup> in Dallas, Texas.
4. The SPP RE has scheduled the fall 2008 Compliance Workshop for September 23<sup>rd</sup> and 24<sup>th</sup> in Tulsa, Oklahoma.
5. NERC has issued the 2008 Summer Assessment. The SPP portion of the assessment is attached to this report. The entire assessment may be downloaded from [ftp://ftp.nerc.com/pub/sys/all\\_updl/docs/pubs/summer2008.pdf](ftp://ftp.nerc.com/pub/sys/all_updl/docs/pubs/summer2008.pdf).

Respectfully submitted by:

Ronald W. Ciesiel  
Executive Director of Compliance  
SPP Regional Entity

Alison Hayes  
Legal Counsel  
SPP Regional Entity

July 18, 2008

**SPP Regional Entity Standard Update  
Underfrequency Load Shedding (UFLS)  
For the RE Trustees Meeting July 21, 2008**

SPP's Standard Drafting Team (SDT) for UFLS standard had two meetings (May 6 via WebEx and June 24-25 face to face at DFW).

SPP SDT looked at performance characteristics as proposed through NERC's Continent Wide Standard (CWS) and is in a process of developing first draft for SPP UFLS standard.

The performance characteristics for NERC CWS are now officially posted for industry comments. SPP SDT will have a WebEx meeting scheduled on August 5 to review this document and submit any comments.

The first draft of SPP UFLS standard is expected to be posted for industry comments in the third quarter of 2008.

**S** *t*  
**Pool**

**RE Second Quarter  
Training Report  
July 21, 2008**

## Table of Contents

Second Quarter 2008 Highlights.....	1
Table I: 2008 Breakdown by Course YTD.....	1
Table II: Number of Registered Entities Participating YTD.....	2
Table III: List of Registered Entities Participating YTD.....	2
Table IV: Upcoming Events for 2008.....	3
Addendum: Compliance and Enforcement Group.....	4

**Second Quarter 2008 Highlights**

- Through the regional training events offered YTD in 2008, SPP has awarded an estimated 6,938 continuing education hours (CEH). Approximately 5,472 hours of that total have been awarded to SPP registered entities, an additional 1,466 awarded to SPP operations personnel (for SPP’s compliance with requirements as a registered entity BA, TOP, RC).
- We are on pace to award approximately 45% more CEH in 2008 than in 2007.
- 100% of those SPP registered entities required to have training have participated in one or more regional training events YTD.
- Average net conference enrollment is 19; up 90% from 2007.
- Average regional emergency operations classroom enrollment is 13, doubling the enrollment from 2007.
- Restoration Drill enrollment for 2008 is up approximately 18% from 2007.
- 51 operations personnel participated in the SPP System Operations Conference on April 28-May 1. More than 1,200 CE hours were awarded during the conference. 2008 Fall SOC registration is full with seven persons on the waiting list.
- Due to the level of participation of registered entities in the SPP System Operations Conferences, the OTWG requested a third SPP Systems Operations Conference be added to the 2009 schedule.
- SPP conducted the first of two Regional Restoration Drills on April 15-17 with 25 entities using the dispatch training simulator (DTS). 2,088 CEH were awarded to over 100 participants
- The Regional Train-the-Trainer Session I on February 20-21 had 14 participants. The Train-the-Trainer Session II on July 15-16 had 25 participants.
- There will be 148 additional CEH offered for the remainder of 2008.

The four tables below provide information by course, year, and entity.

**Table I  
2008 Breakdown by Course YTD**

<b>Year</b>	<b>Training Event</b>	<b>Average Individual Participation YTD</b>	<b>CEH Offered per Event</b>	<b>Event Occurrence per Year</b>	<b>Total CEH Available</b>	<b>Est. CEH Awarded YTD</b>
2008	Subregional Restoration Drills	30	16	4	112	1,920
2008	Regional Restoration Drill	87	24	1	48	2,088
2008	Regional Emergency Operations Classes	13	20	4	120	1,040
2008	Emergency Operations Net Conferences	19	2	15	42	570
2008	System Operations Conference	55	24	1	48	1,320
						<b>6,938</b>

<sup>1</sup> 4,950 hours for SPP RTO members, 522 hours for non-members registered in the SPP RE compliance registry.



**Table II  
Number of Registered Entities Participating YTD**

<b>Year</b>	<b>Training Event</b>	<b>Total Registered Entities Participating YTD</b>
2008	Subregional Restoration Drills	11
2008	Regional Restoration Drill	18
2008	Regional Emergency Operations Classes	13
2008	Emergency Operations Net Conferences	13
2008	System Operations Conference	16
2008	Train the Trainer	13

**Table III  
List of Registered Entities Participating YTD**

<b>Entity Name</b>	<b>Subreg. Restoration Drill</b>	<b>Regional Restoration Drill</b>	<b>Net Conference</b>	<b>REOPS Classroom</b>	<b>SOC</b>	<b>Train the Trainer</b>
AECC						
AEP						
Aquila						
BPU						
CLECO						
EDE						
GRDA						
INDN						
KAMO						
KCPL						
KMEA						
Lafa						
LEPA						
MWE						
OGE						
SECI						
CUS						
SPS						
SPA						
Tenaska						
WESTAR						
WFEC						

**Table IV  
Upcoming Events for 2008**

<b>Date</b>	<b>Event</b>	<b>CEH Available</b>
7/15-16	Train-the-Trainer Professional Development	0
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 Restoration Drill	16
10/28	EOPS Net Conference	2
10/29-30	Train-the-Trainer Professional Development	0
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
<b>TOTAL CEH AVAILABLE</b>		<b>148</b>

**ADDENDUM TO REGIONAL ENTITY TRAINING REPORT**  
**JULY 21, 2008**

COMPLIANCE and ENFORCEMENT GROUP  
(provided by SPP RE Compliance Staff)

**2007-2008 NON-CEH WORKSHOPS**

FEBRUARY 2007	COMPLIANCE WORKSHOP	ATTENDANCE ~ 115
NOVEMBER 2007	CIP BASICS WORKSHOP	ATTENDANCE ~ 65
JANUARY 2008	COMPLIANCE WORKSHOP	ATTENDANCE ~ 120

**FUTURE WORKSHOPS**

AUGUST 13-14, 2008	CIP 'HOW TO' WORKSHOP
SEPTEMBER 23-24, 2008	FALL COMPLIANCE WORKSHOP

ADDENDUM TO REGIONAL ENTITY TRAINING REPORT  
JULY 2008

COMPLIANCE and ENFORCEMENT GROUP  
(provided by SPP RE Compliance Staff)

**2007-2008 NON-CEH WORKSHOPS**

FEBRUARY 2007 COMPLIANCE WORKSHOP ATTENDANCE ~ 115

NOVEMBER 2007 CIP BASICS WORKSHOP ATTENDANCE ~ 65

JANUARY 2008 COMPLIANCE WORKSHOP ATTENDANCE ~ 120

**FUTURE WORKSHOPS**

AUGUST 13-14, 2008 CIP 'HOW TO' WORKSHOP

SEPTEMBER 23-24, 2008 FALL COMPLIANCE WORKSHOP

**Southwest Power Pool Regional Entity  
2nd Quarter 2008 Budget Report**

In the Second Quarter 2008, the SPP RE expenses are over budget by 4.5% (or \$204,036). This is a projected amount distributed over the remainder of the budget year. The amount is attributed to additional personnel expense (salary, taxes, and benefits) for direct charges. Salaries for both RE staff and SPP shared staff are projected to be \$1,525,644. The increase is attributed to additional man-hours added to the 2008 by action of the RE Trustees at the April 2008 meeting. At that meeting, certain staff expenses (Compliance and Enforcement and General Administrative staff) from the 2009 budget was added into the 2008 RE Budget. These figures also have been adjusted by an update of the indirect cost adder from \$110 down to \$101. SPP Inc. has revised this amount applicable for all RE staff, direct and shared.

Without considering the additional staff expenses added to the 2008 RE budget, the Year-to-date second quarter SPP RE budget is -10.3% under budget.<sup>1</sup> The total direct costs (man-hours) tracked to the RE is 9,768.3 man-hours. This represents a cumulative year to date man-hours equivalent of 4.7 FTE or 9.39 on an annual basis. Based on 12.4 FTEs budgeted for 2008, this represents time tracked to RE activities at 24.3% under budget. These hours only reflect 216 man-hours (0.1 equivalent FTE) charged by a new RE Compliance staff person who was hired on in April 2008. This person should increase charges to the RE in future months. Hours charged by SPP shared staff will also continue to increase as activities in Reliability Assessment, Training and Regional Standards development are not consistent month to month.

The budget variance has been decreasing as expected over the first 6 months of 2008. In the first quarter, the corrected variance was -29%. Additional charges by SPP RE staff and SPP shared staff are expected to increase in the next quarters as activities in compliance, reliability assessments, and regional standards development will continue to increase. Expenses budgeted for contractors for Compliance and Enforcement will also be realized in future quarters.

Two summary reports on the RE Training activities for the second quarter is attached. One is the actual projected summary which includes the additional staff for 2008. The other is a report without the addition.

---

<sup>1</sup> Based on the original 2008 RE budget with 12.4 FTEs and the original \$110 indirect cost adder. The projected additional personnel expenses are not considered.



**SOUTHWEST POWER POOL**  
 REGIONAL ENTITY FINANCIALS  
 2008 JUNE MTD DRAFT (UNAUDITED)

<i>(In Whole Dollars)</i>	<b>2008 JUNE YTD ACTUAL</b>	<b>2008 JUNE YTD BUDGET</b>	<b>VARIANCE</b>	<b>2008 FULL YEAR PROJECTION</b>	<b>2008 FULL YEAR BUDGET</b>	<b>VARIANCE</b>
<b>Funding</b>						
ERO Funding	2,068,100	2,304,542	(236,442)	4,609,084	4,609,084	-
Membership Dues						
Testing Fees						
Services & Software						
Workshops						
Interest			-			-
Miscellaneous						-
<b>Total Funding</b>	<u>2,068,100</u>	<u>2,304,542</u>	<u>(236,442)</u>	<u>4,609,084</u>	<u>4,609,084</u>	<u>-</u>
<b>Expenses</b>						
<b>Personnel Expenses</b>						
Salaries	569,584	574,766	(5,182)	1,149,531	1,149,531	-
Payroll Taxes	43,573	48,231	(4,657)	96,461	96,461	-
Benefits	74,265	86,482	(12,216)	172,963	172,963	-
Continuing Education	885	7,500	(6,615)	15,000	15,000	-
Retirement Costs	-	-	-	-	-	-
<b>Total Personnel Expenses</b>	<u>688,307</u>	<u>716,978</u>	<u>(28,670)</u>	<u>1,433,955</u>	<u>1,433,955</u>	<u>-</u>
<b>Meeting Expenses</b>						
Meetings	44,547	32,335	12,212	64,670	64,670	-
Travel	80,006	76,000	4,006	152,000	152,000	-
Conference Calls	-	-	-	-	-	-
<b>Total Meeting Expenses</b>	<u>124,553</u>	<u>108,335</u>	<u>16,218</u>	<u>216,670</u>	<u>216,670</u>	<u>-</u>
<b>Operating Expenses</b>						
Contracts & Consultants	-	-	-	-	-	-
Office Rent	-	-	-	-	-	-
Office Costs	905	3,050	(2,145)	6,100	6,100	-
Administrative Costs	5,644	-	5,644	-	-	-
Professional Services	106,477	229,700	(123,223)	459,400	459,400	-
Regional Entity Trustee Fees	67,500	67,500	-	135,000	135,000	-
Computer Purchase & Maint.	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Miscellaneous/ Cotingency	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>180,527</u>	<u>300,250</u>	<u>(119,723)</u>	<u>600,500</u>	<u>600,500</u>	<u>-</u>
<b>Total Direct Costs</b>	<u>993,387</u>	<u>1,125,563</u>	<u>(132,176)</u>	<u>2,251,125</u>	<u>2,251,125</u>	<u>-</u>
<b>Total Indirect Costs</b>	1,074,713	1,178,980	(104,266)	2,357,959	2,357,959	-
<b>Total Costs</b>	<u>2,068,100</u>	<u>2,304,542</u>	<u>(236,442)</u>	<u>4,609,084</u>	<u>4,609,084</u>	<u>-</u>

<b>JUNE REGIONAL ENTITY REVENUE</b>	
0100-45310-4000-4572-00	(487,119)
0000-25200-2530-0000-00	487,119



**SOUTHWEST POWER POOL**  
 STATEMENT OF ACTIVITIES  
 2008 JUNE MTD DRAFT (UNAUDITED)

<i>(In Whole Dollars)</i>	2008 JUNE YTD ACTUAL	2008 JUNE YTD BUDGET	VARIANCE	2008 FULL YEAR PROJECTION	2008 FULL YEAR BUDGET	VARIANCE
<b>Funding</b>						
ERO Funding	1,981,998	2,304,542	(322,544)	4,609,084	4,609,084	-
Membership Dues						
Testing Fees						
Services & Software						
Workshops						
Interest			-			-
Miscellaneous						-
<b>Total Funding</b>	<u>1,981,998</u>	<u>2,304,542</u>	<u>(322,544)</u>	<u>4,609,084</u>	<u>4,609,084</u>	<u>-</u>
<b>Expenses</b>						
<b>Personnel Expenses</b>						
Salaries	569,584	574,766	(5,182)	1,223,811	1,149,531	74,280
Payroll Taxes	43,573	48,231	(4,657)	102,694	96,461	6,233
Benefits	74,265	86,482	(12,216)	184,139	172,963	11,176
Continuing Education	1,779	7,500	(5,721)	15,000	15,000	-
Retirement Costs	-	-	-	-	-	-
<b>Total Personnel Expenses</b>	<u>689,202</u>	<u>716,978</u>	<u>(27,776)</u>	<u>1,525,644</u>	<u>1,433,955</u>	<u>91,689</u>
<b>Meeting Expenses</b>						
Meetings	44,547	32,335	12,212	64,670	64,670	-
Travel	80,006	76,000	4,006	148,000	152,000	(4,000)
Conference Calls	-	-	-	-	-	-
<b>Total Meeting Expenses</b>	<u>124,553</u>	<u>108,335</u>	<u>16,218</u>	<u>212,670</u>	<u>216,670</u>	<u>(4,000)</u>
<b>Operating Expenses</b>						
Contracts & Consultants	-	-	-	-	-	-
Office Rent	-	-	-	-	-	-
Office Costs	5,655	3,050	2,605	6,100	6,100	-
Administrative Costs	-	-	-	-	-	-
Professional Services	106,477	229,700	(123,223)	459,400	459,400	-
Regional Entity Trustee Fees	67,500	67,500	-	135,000	135,000	-
Computer Purchase & Maint.	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Miscellaneous/ Cotigency	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>179,632</u>	<u>300,250</u>	<u>(120,618)</u>	<u>600,500</u>	<u>600,500</u>	<u>-</u>
<b>Total Direct Costs</b>	<u>993,387</u>	<u>1,125,563</u>	<u>(132,176)</u>	<u>2,338,814</u>	<u>2,251,125</u>	<u>87,689</u>
<b>Total Indirect Costs</b>	988,611	1,178,980	(190,368)	2,474,306	2,357,959	116,347
<b>Total Costs</b>	<u>1,981,998</u>	<u>2,304,542</u>	<u>(322,544)</u>	<u>4,813,120</u>	<u>4,609,084</u>	<u>204,036</u>



**Southwest Power Pool**

**Regional State Committee, Board of Directors/Members Committee &  
Regional Entity Trustees**

**Future Meeting Dates & Locations**

**2008**

RSC/BOD/RET	January 28-30	Austin
RSC/BOD/RET	April 21-23	Oklahoma City
*BOD	June 9-10	Little Rock
RSC/BOD/RET	July 28-30	Kansas City
RSC/BOD/RET (Annual Meeting of Members)	October 27-29	Tulsa
**BOD	December 9	Dallas

**2009**

RSC/BOD/RET	January 26-28	TBD
RSC/BOD/RET	April 27-29	Oklahoma City
*BOD	June 8-9	Little Rock
RSC/BOD/RET	July 27-29	Kansas City
RSC/BOD/RET (Annual Meeting of Members)	October 26-28	Tulsa
**BOD	December 8	Dallas

The RSC/BOD meetings are Mon/Tues with the RSC held on Monday afternoon and the BOD/Members Committee meeting on Tuesday.

\* The June BOD meetings are for educational purposes. There will be no RSC meeting in conjunction with these meetings.

\*\* The December BOD meetings are intended to be one day in and out meetings for administrative purposes. There will be no RSC meeting in conjunction with these meetings.