Southwest Power Pool

SPP REGIONAL ENTITY TRUSTEE MEETING

April 29, 2009

Skirvin Hotel – Oklahoma City, OK

• M I N U T E S •

Agenda Item 1 – Administrative Items

SPP RE Trustee Chairman, John Meyer, called the meeting to order at 8:30 a.m. The following Trustees were also in attendance: Gerry Burrows, Dave Christiano. Others at the meeting were: Stacy Dochoda, Ron Ciesiel, Machelle Smith, Tracy Stewart (SWPA), Ronnie Tharp (WFEC), Timothy Arlt (NPPD) Frank Schneider (Kelson Energy), Alan Derichsweiler (WFEC), Terri Pyle (OMPA), Bary Warren (The Empire District Electric Company) and Michael Desselle (SPP) and Alison Hayes, Staff Secretary. The following attended via teleconference: Charles Yeung (SPP), Mark MacDonald (CLECO), Mike Gammon (KCPL), John Allen (City of Springfield).

Minutes from the January 28, 2009 Trustee meeting were presented for approval. Gerry Burrows made a motion to accept the minutes. Dave Christiano seconded the motion, which passed unanimously. (Attachment 1)

Chairman Meyer introduced Stacy Dochoda as the new General Manager of SPP RE.

Agenda Item 2 – Review of Past Action Items

Alison Hayes reported on past action items in accordance with the Status Report. (Attachment 2)

Agenda Item 3 – General Manager's Report

Stacy Dochoda

a. Facilities: SPP RE is moving to 5,700 square feet at the GMAC building on 5/1/09. Security will be addressed through RE employee badges and an outside camera for viewing visitors. (Attachment 3)

b. RE Organizational Chart: Tasha Ward starting employment 5/1/09. An offer has been submitted to fill open position. (Attachment 4)

c. Training: 2,500 hours provided by SPP RE in first quarter 2009. This is a 23% increase over 2008 first quarter. (Attachment 5)

d. 2008 True-Up Budget Filing to NERC: Report submitted 4/1/09. (Attachment 6)

e. Budget: First draft due to NERC 5/8/09. Second draft due 5/29/09. Final draft due 7/8/09 and must have Trustee approval. Anticipated budget for 2010 is $11.8 million. The following are notable changes: $150,000 personnel increase for reliability standards, $2.8 million increase for CIP Standards compliance and enforcement personnel and resources, $165,000 decrease due to elimination of readiness audits, $1.4 million increase in training personnel and classes.

   Barry Warren expressed concern over RE cost control and asked the Trustees to be mindful of over-spending, especially in light of the economic recession effects on the registered entities. CLECO expressed increased training need due to new standards in effect and supported existing cost structure for SPP members.

Stacy Dochoda will schedule a final budget approval meeting with Trustees before submission date. Meeting will be posted as a public meeting.

f. FERC Audit recommendation status: Eighteen out of the twenty FERC recommendations should be completed by July 30, 2009 for the first quarterly status report. The incomplete items will be #3 on Performance Bonuses and #6 on shared engineer staffing needs for SPP RE. (Attachment 7)

   A discussion was held regarding what metrics are used to determine performance bonuses for SPP RE staff. Ms. Dochoda will establish targets and processes for bonus determination and bring back to Trustees.

g. ERO Three-Year Assessment Survey Update: Draft document will be provided in July. Regional self assessment drafts are currently posted on NERC website. Final drafts must be approved by Trustees. Final draft will be addressed at June meeting regarding budget approval. (Attachment 8)

h. Nebraska Update: April 1, 2009, three Nebraska entities joined SPP RTO. Issues are currently being worked on to move entities to SPP RE. (Attachment 9)

<u>Agenda Item 4 – Quarterly Activity Report</u>

Ron Ciesiel

i. Post June 18th Violations: 76 enforceable violations in SPP RE. Five new violations processed since January 2009. Twenty-five violations have been moved to NERC for processing.

   All Pre-June 18th violations are closed in SPP RE. (Attachment 10)

   Report on violation discovery methods: all self-certification violations are from the first self-certification in 2007.

   Most violated standard was PRC-005 in SPP and NERC.

j. Criteria 5: SPP RTO has approved changes to Criteria 5. (Attachment 11) Ron Ciesiel asked the Trustees to approve the changes for use in SPP RE compliance. The Trustees proposed the following language for use in implementing Standard FAC-003:

   "For the purpose of implementing FAC-003, effective 4/29/09, the SPP Regional Entity designates that the SPP Reliability Coordinator develop and maintain a list of the following transmission lines as being subject to the FAC-003 standard:

   1. ***All transmission lines operating at 200 Kv and above; and***
   2. ***All transmission lines, not included in 1 above that are listed as monitored or contingent elements of an Interconnection Reliability Operating Limit (IROL) flowgate as published in the SPP IROL Relief Guides.***

   The SPP Reliability Coordinator will maintain the master list of the applicable transmission lines. Any additional facilities identified will become applicable to the standard 12 months after being identified by the Reliability Coordinator."

   John Meyer made a motion to accept and apply the aforementioned language to

implementation of Reliability Standard FAC-003. Dave Christiano seconded the motion and approval was unanimous.

k. Personnel Report: No more personnel issues were discussed due to the General Manager update on the SPP RE Organizational Chart.

Agenda Item 5 – Standards Development Report

Alison Hayes gave a status update of the development of UFLS Regional Standard PRC-006-SPP-01. The first draft is posted for comment, ending 4/30/09. Comments will be posted online and the standards drafting team (SDT) will respond to all. The SDT will reconsider draft and repost. (Attachment 12)

Agenda Item 6 – Legal Report

Alison Hayes

l. Settlements: SPP RE is currently engaged in 7 standards violation settlements with registered entities. Three of those have resulted in agreed upon financial penalties which will be submitted to NERC for approval.

m. Hearing Procedure Training: The administrative hearing process training proposal from Administrative Law Judge Robert Wax was discussed again, for potential scheduling. A decision was made to readdress the topic at the next Trustee meeting in July.

Agenda Item 7 – Future Meetings

Alison Hayes

The next SPP RE Trustee meeting is scheduled for July 29, 2009 in Kansas City, MO. (Attachment 13)

Agenda Item 8– Summary of New Action Items

Alison Hayes reported on new actions resulting from the day's meeting:

1. Stacy Dochoda will get with Michael Desselle and Jim Gunnell regarding proposed training department staffing requests for 4.5 additional FTE's in 2010 budget.
2. Stacy Dochoda will get with Michael Desselle and attempt to establish a relationship with the Operations Training Working Group (OTWG) chair and past chair for purposes of discussing training needs.
3. Stacy Dochoda will determine metrics and goals to be used for SPP RE staff performance bonus determinations. She will take to Trustees and publicly post goals.
4. Ron Ciesiel will add a column on the Violation Status Report which reflects the status of each violation with FERC.
5. Stacy Dochoda will schedule a public meeting with the Trustees to discuss the final 2010 budget draft and the ERO Regional Entity self-assessment. Proposed dates: June 24 and June 29, 2009. Both meetings will be publicly noticed.

With no further business, the meeting was adjourned to Executive Session where the Trustees discussed compliance violations, settlements and other topics.

Respectfully Submitted,
Alison Hayes
Staff Secretary