



**Southwest Power Pool, Inc.**  
**CORPORATE GOVERNANCE COMMITTEE MEETING**  
**December 8, 2010**  
**SPP Offices, Little Rock, AR**

**• A G E N D A •**

9:00 a.m. - 2:00 p.m. CST

1. Call to Order and Administrative Items..... Nick Brown
2. Voting Structure Review ..... Nick Brown
3. Withdrawal Obligations for Transmission Costs..... Stacy Duckett
4. Regional Entity Trustee Compensation..... Stacy Duckett
5. Organizational Group Rosters ..... Stacy Duckett
6. Organizational Effectiveness Discussion ..... Nick Brown
7. Future Meetings..... Nick Brown  
    March 3, 2011  
    September 1, 2011

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

**Southwest Power Pool  
CORPORATE GOVERNANCE COMMITTEE MEETING**

**OMPA Offices, Edmond, OK**

**September 2, 2010**

**• M I N U T E S •**

**Agenda Item 1 – Administrative Items**

Chair Nick Brown called the meeting to order at 8:37 a.m. Other members in attendance or represented by proxy were: Jim Eckelberger (Director), Kevin Easley (GRDA), Cindy Holman (OMPA), Rob Janssen (Dogwood), Steve Parr (KEPCo), and Mel Perkins (OG&E). Guests included Mike Palmer (Empire), Kip Fox (AEP), Julian Brix (Director), Phyllis Bernard (Director), Bruce Cude (Xcel) and Harry Skilton (Director) via phone. SPP Staff included Stacy Duckett.

Mr. Brown referred to draft minutes for the July 15, 2010 meeting (7/15/10 Minutes – Attachment 1). Steve Parr moved to approve the minutes as presented. Mel Perkins seconded the motion, which passed unanimously.

**Agenda Item 2 – Organizational Effectiveness**

The group reviewed a current draft of guidelines for participation in SPP meetings (Meeting Participation Guidelines – Attachment 2). These guidelines would be made available to all organizational groups for reference in the conduct of meetings. Discussion followed. Item two will be revised to reflect requests to place an item on the agenda of a meeting for further clarification. Steve Parr moved to adopt the Participation Guidelines with revisions; Mel Perkins seconded the motion. The group unanimously approved the implementation of the guidelines and requested that Nick present them at the next Board of Directors meeting for adoption.

Nick Brown discussed the NACD Director Registry and whether it could be used for SPP director searches. Stacy Duckett provided a report of review of the registry service versus the Bylaws and intent of use of search firms found in past minutes. The group will take no action to change our approach at this time.

**Agenda Item 3 – 2011 Election Ballot**

Nick Brown reported that the Committee had previously determined to renominate Julian Brix and Phyllis Bernard for Director positions and John Meyer for a Regional Entity Trustee position (BOD/MC/RE Terms – Attachment 3). The Committee then discussed the Members Committee positions. Mike Palmer asked whether a separate membership category should be established for independent transmission companies (“transcos”). After some discussion, it was decided to address this at the next meeting. Following further discussion of the position and candidates, Mel Perkins moved for the nomination of Kelly Harrison and Stuart Solomon to fill the IOU seats; Steve Parr seconded the nomination, which passed unanimously.

Nick Brown also asked the Committee to think about whether some process change should be considered regarding filling vacancies such that a broader review would be made of the committee representatives rather than filling a vacancy as it occurs. Kip Fox also suggested consideration of designated alternates as is done in ERCOT. These issues will be included on the next agenda.

Following discussion of the position and candidates, Rob Janssen moved to nominate Noman Williams to fill the Cooperatives seat; Cindy Holman seconded the motion, which passed unanimously.

Following discussion of the position and candidates, Kevin Easley moved to nominate Jeff Knottek to fill the Municipals seat; Rob Janssen seconded the motion, which passed unanimously.

Following discussion of the position and candidates, Steve Parr moved to nominate Rob Janssen to fill the IPP/Marketer seat; Cindy Holman seconded the motion, which passed unanimously.

#### **Agenda Item 4 – Vacancy/Strategic Planning Committee**

Stacy Duckett reviewed a vacancy on the Strategic Planning Committee and the nominees received. Following discussion, Kevin Easley moved the appointment of David Hudson to fill the vacancy; Rob Janssen seconded the motion, which passed unanimously. This will be presented to the Board at the next meeting for final approval.

#### **Agenda Item 5 – Voting Structure**

Stacy Duckett reviewed a report on Affiliate Voting and questions that the Committee has been asked to consider (Affiliate Voting – Attachment 4). Mike Palmer also asked whether the Standards of Conduct should be implemented for the Members Committee representatives regarding voting and the role in the organization, specifically focusing on the obligation to vote in accord with the designated sector (Standards of Conduct – Attachment 5). Following considerable discussion, the Committee discussed whether metrics may be appropriate to track activities going forward to consider whether any changes may be in order. Following further discussion, these matters will be taken up at the next meeting. Nick Brown will report at the Board of Directors/Members Committee meeting and seek additional comments. The Committee will also consider a separate workshop before the end of the year focused solely on these issues to allow more time for discussion.

#### **Agenda Item 6 – Standards of Conduct**

Item 6a was discussed under Agenda Item 5.

Stacy Duckett updated the Committee on the materiality issue in the Standards of Conduct, including noting PJM's recent filing to change its Standards of Conduct in accord with the method discussed among the RTOs (Materiality – Attachment 6). Harry Skilton voiced support for considering the revisions, and questioned whether the prohibitions of stock ownership should be extended to vendors. To date, the Standards of Conduct have been focused on independence from the market participant. Discussion followed as to whether they should be expanded. The Committee will take this up further following the resolution of the PJM docket.

#### **Agenda Item 7 – Membership Agreement Revision**

Stacy Duckett reviewed a request to go ahead with revision of the definition of transmission owner (TO) under the Membership Agreement (Membership Agreement Revisions – Attachment 7). Similar changes are under consideration by the Regional Transmission Working Group (RTWG) for the Tariff. Changes are needed to facilitate cost recovery for new TOs under the new cost allocation methodologies. Steve Parr moved for approval with slight revisions; Rob Janssen seconded the motion, which passed unanimously.

#### **Agenda Item 8 – Withdrawal Obligations**

Stacy Duckett reviewed the background of discussion on withdrawal obligations related to transmission costs allocated to members (Withdrawal Obligations Principles – Attachment 8). The Staff was asked to develop a set of principles to use in drafting revisions to the governing documents. Mr. Brown provided the context for principles as developed for further discussion. The group discussed in detail. Revisions include:

- Clarify application to the withdrawal of facilities.
- Clarify application to Transmission Owners only or LSEs as well.
- Continue revenue obligations to exiting Members.
- Omit minimum tenure requests.

Corporate Governance Committee  
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- Are pending fines included in the financial obligations?

The Staff will develop scenarios based on these principles for further review before continuing with drafting revisions. Mr. Brown will review the revised principles at the Board of Directors/Members Committee meeting for additional comments.

**Agenda Item 9 – Future Meetings**

Future meetings:

December 2010 – date TBD

March 3, 2011

September 1, 2011

**Adjournment**

Nick Brown thanked everyone for participating and adjourned the meeting at 1:25 p.m.

Respectfully submitted,

Stacy Duckett, Secretary



**Southwest Power Pool, Inc.**  
**Corporate Governance Committee**  
**December 8, 2010**

**Consideration of SPP Voting Structure**

**Background**

The Corporate Governance Committee committed to review the current voting structures to consider whether revisions might be in order.

**Analysis**

The voting structure for Members is generally one vote per organization when participating in SPP Organizational Groups. The exception to this is the limitation on Affiliate Companies when voting in elections, in which case the affiliates collectively have one vote. Other questions have been raised regarding the role of the Members Committee and the direction provided by their votes.

Questions that have been raised for review include:

- Should Affiliate voting limitations be
  - extended to all voting in the organization?
  - eliminated?
  - limited to a certain number of Affiliates eligible to vote?
- Should voting on any issues be based on load?
  - If so, how do we determine which issues?
  - If not completely based on load, should it be some additional factor?
- Should the Members Committee representatives votes
  - reflect the positions taken by the members in their respective sectors?
  - serve as a separate vote, similar to a senate?
- Should various sectors carry more weight on certain issues?
  - If so, how do we determine which issues and the weighting?
  - At what level would this apply (all Organizational Groups, only the Committee level, only the MOPC)?
- Should the Members Committee be expanded to include the chairs of the MOPC and SPC, to the extent they are not already on the committee?
  - These are the only two chairs of committees reporting to the Board of Directors that do not have a vote unless they are part of the Members Committee.
  - MOPC is the representative body of the membership on technical and policy issues.
  - SPC sets the strategic direction for the organization.

**Action Requested**

Discussion of various voting structures to determine whether revisions to SPP's current structures are appropriate. Staff will provide examples of historic votes from MOPC if alternative voting structures are applied.



**Southwest Power Pool, Inc.**  
**Recommendation to the Corporate Governance Committee**  
**December 8, 2010**

**Regional Entity Trustees Compensation Revision**

**Background**

The SPP RE Trustees are currently compensated according to the schedule below:

<b>Annual Retainer</b>	<b>\$15,000</b>
<b>Per Meeting Fee, Chairman</b>	<b>\$2,500</b>
<b>Per Meeting Fee</b>	<b>\$2,000</b>
<b>Observer Fee</b>	<b>\$1,250</b>
<b>RE Teleconference</b>	<b>\$ 500</b>
<b>Observer Fee – Teleconference</b>	<b>\$ 250</b>

In accordance with the NERC Rules of Procedure and the SPP RE delegation agreement with NERC, the RE Trustees serve as the Hearing Body if a registered entity requests a hearing related to a violation or penalty assessed by the SPP RE. In the role of the Hearing Body, the Trustees may participate in pre-hearing conferences, review briefs, motions and testimony, participate in the hearing and review the Hearing Officer’s recommendation and make the final decision in the hearing. The current compensation schedule does not specifically address how the RE Trustees are to be compensated for serving as the Hearing Body.

**Analysis**

The SPP RE has received its first request for a hearing, therefore it is an appropriate time to determine a compensation schedule for the RE Trustees carrying out the role of the Hearing Body. The scope of the work required by the Trustees acting as a Hearing Body is beyond the more general oversight role of the RE Trustee’s normal functions.

**Recommendation**

Recommend the following compensation schedule for the RE Trustees acting as the Hearing Body:

<b>Proposed Hearing Compensation:</b>	
<b>Each day of hearing, Chairman</b>	<b>\$2,500</b>
<b>Each day of hearing</b>	<b>\$2,000</b>
<b>Pre-hearing Teleconferences (per conference)</b>	<b>\$ 500</b>

**Action Requested:**    Approve Recommendation

## PRINCIPLES FOR WITHDRAWAL OBLIGATIONS FOR ASSIGNED TRANSMISSION COSTS

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SPP has a formula for calculating the withdrawal fee for an exiting Member to cover that Member's pro rata share of SPP, Inc.'s financial obligations at the effective date of the withdrawal. With the implementation of regional cost allocation for transmission projects, it is necessary for SPP to revise its governing documents to address an exiting Member's continued obligations for transmission costs allocated to it. These principles are intended to provide guidance to determine the appropriate revisions.

- SPP encourages voluntary membership in the organization. SPP policies and governance should encourage membership while protecting the Membership from undue monetary burden that may result due to a Member's withdrawal from the organization.
- An exiting Member should incur its share of assigned transmission costs upon withdrawal from Membership.
- Remaining Members should not incur increases in their respective shares of assigned transmission costs due to the withdrawal of a Member.
- The withdrawal obligation for transmission costs should be calculable at any date, as is the withdrawal fee for SPP's financial commitments.
- The withdrawal obligation for transmission costs should be payable in full at the time the withdrawal is effective.
  - Funds collected will not be treated as revenue for SPP, but as cost recovery for the TOs. A distribution process will be developed to implement this.
- The calculation of the withdrawal obligation for transmission costs will include existing projects and estimated costs for those projects for which Notices to Construct have been issued.
  - Costs will be capital costs only.
  - There will be no "true-up" process to account for actual costs.
- The effective date of withdrawal will remain 12 months following notice, or such other mutually agreeable date, pending upon any required regulatory approval(s).
- Upon receipt of notice of withdrawal and statement of an effective date, SPP staff will begin the planning process for removing the Member. A non-refundable fee will be payable at the time of the notice to cover SPP's actual costs in removing the Member.
- An exiting Member will receive payments toward transmission costs for facilities previously assigned to the region. A payment plan must be developed.
- A Network Service Customer is liable for transmission costs assigned regardless of the status of the NITSA.
  - This will require revisions to the pro forma agreement as well as amendments to existing agreements.

#### **8.4 Monthly Assessments**

SPP will assess certain Members (and, as described below, former Members that have withdrawn from SPP with respect to penalties assessed against SPP for a violation of a reliability standard that occurred before the Member withdrew) described herein on a monthly basis all costs not otherwise collected. Costs recovered under the assessment will include but are not limited to all operating costs, financing costs, debt repayment, and capital expenditures associated with the performance of SPP's functions as assigned by the Board of Directors. Significant among these are costs associated with regional reliability coordination and the provision of transmission service. SPP shall determine the assessment rate based on its annual budgeted net expenditures divided by estimated annual Schedule 1 billing units for service sold under SPP's OATT and Member load eligible to take, but not taking, Network Integration Transmission Service under SPP's OATT. The Board of Directors may review the assumptions used in determining the assessment rate at any time and may adjust the assessment rate appropriately should conditions warrant. Each load-serving Member shall then be assessed the monthly assessment rate applied to its load eligible to take Network Integration Transmission Service under the SPP OATT. Further, each load-serving Member shall receive a credit against the monthly assessment for that month's Schedule 1 fees paid for Network Integration Transmission Service and for Point-to-Point Transmission Service that had a delivery point within the SPP region, under the SPP OATT. To the extent that the assessment includes costs associated with penalties assessed against SPP for a violation of a reliability standard approved by FERC, the ERO, or an ERO-approved Registered Entity that SPP does not otherwise recover pursuant to Attachment AP of the SPP OATT, SPP shall recover such penalties under this Section 8.4 from both current Members and former Members that have withdrawn from membership but were Members when the events giving rise to the penalty occurred.



## 8.7 Financial Obligation of Withdrawing Members

### 8.7.1 Existing Obligations

“Existing Obligations” are the following:

- a. Member’s unpaid annual membership fee.
- b. Member’s unpaid dues, assessments, and other amounts charged under Section 3.8 of the Membership Agreement, section 8.4 of the Bylaws, or otherwise under the Bylaws, plus the Member’s share of costs SPP customarily includes in such dues, assessments or other charges, but which as of the Termination Date SPP had not included in such dues, assessments or other charges.
- c. Member’s share (computed in accordance with the Bylaws) of the entire principal amounts of all SPP Financial Obligations outstanding as of the Termination Date. “Financial Obligations” are all long-term (in excess of six (6) months) financial obligations of SPP, including but not limited to the following:
  - i. debts under all loans, loan agreements, borrowings, promissory notes, bonds, and credit lines, under which SPP is obligated, including principal and interest;
  - ii. all payment obligations under equipment leases, financing leases, capital leases, real estate and office space leases, consulting contracts, and contracts for outsourced services;
  - iii. any unfunded liabilities of any SPP employee pension funds, whether or not liquidated or demanded; and
  - iv. the general and administrative overhead of SPP for a period of three (3) months.
- d. Any costs, expenses or liabilities incurred by SPP directly due to the Termination, regardless of when incurred or payable, and including without limitation prepayment premiums or penalties arising under SPP Financial Obligations.
- e. Member’s share (computed in accordance with the Bylaws) of all interest that will become due for payment with respect to all

interest bearing Financial Obligations after the Termination Date and until the maturity of all Financial Obligations in accordance with their respective terms (“Future Interest”). In the event that a Financial Obligation carries a variable interest rate, the interest rate in effect at the Termination Date shall be used to calculate the applicable Future Interest. In determining the Member’s share of Future Interest, SPP shall take into account any reduction of Financial Obligations due to mitigation under this Section.

### **8.7.2 Computation of a Member’s Existing Obligations**

For purposes of computing the Existing Obligations of any withdrawing or terminated Member in accordance with the Membership Agreement, such “Member’s share” is a percentage calculated as follows:

$$A = 100 [0.25(1/N) + 0.75(B/C)]$$

Where: A = Member’s share (expressed as a percentage)

N = Total number of Members

B = The Member's previous year Net Energy for Load within SPP

C = Total of factor B for all Members

The Finance Committee shall have the discretion to reduce the Existing Obligations of any withdrawing or terminated Member, to reflect any SPP costs or expenses that may be mitigated in connection with such Member’s withdrawal or termination. In the event of consolidation of affiliate memberships or the transfer of membership from one corporate entity to another, whereby one entity remains a member of SPP, the withdrawal obligation for the departing company(ies) may be waived at SPP’s sole discretion.

### **8.7.3 Transmission Plan Obligations**

A withdrawing or terminated Member that terminates an existing Transmission Service Agreement or withdraws all or part of its load from service under the SPP OATT shall be financially responsible to pay SPP for all applicable Point-To-Point Transmission Service Termination Costs and/or Network Service Termination Costs calculated pursuant to the OATT.

#### **8.7.4 Reliability Penalty Costs**

A withdrawing or terminated Member shall remain liable for its share of costs associated with penalties assessed against SPP by FERC, the FERC-approved Electric Reliability Organization, or any Electric Reliability Organization-approved Regional Entity that SPP incurs as a result of events that occurred prior to Member's Termination Date but that SPP is unable to recover under Attachment AP of the SPP OATT.

This Agreement is made between the Member and SPP, as defined herein.

## **1.0 Definitions**

### **Agreement**

This Membership Agreement.

### **Board of Directors**

The Board of Directors elected pursuant to the Bylaws.

### **Bylaws**

SPP's Bylaws or any successor document.

### **Distribution Facilities**

Facilities that are the subject of a separate distribution charge pursuant to the Open Access Transmission Tariff.

### **Effective Date**

This Agreement is effective on January 1, 2000 or upon the date of execution by Member if after January 1, 2000.

### **Electric Transmission System**

The transmission facilities subject to SPP's tariff administration, except for any Distribution Facilities.

### **Existing Obligations**

Shall have the meaning given in Section 4.3.2(b).

### **FERC**

The Federal Energy Regulatory Commission or successor organization.

### **Financial Obligations**

Shall have the meaning given in Section 4.3.2(b).

### **Future Interest**

Shall have the meaning given in Section 4.3.2(b).

### **Good Utility Practice**

Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all

others, but rather to be a range of acceptable practices, methods, or acts generally accepted in the region. SPP Criteria and NERC Policies and Standards are considered Good Utility Practice.

**Member**

Signatory to this Agreement that has completed the application requirements pursuant to the Bylaws.

**NERC**

North American Electric Reliability Corporation or successor organizations.

**Non-Transmission Owner**

A Member that is not a Transmission Owner. A Non-Transmission Owner that owns or controls Tariff Facilities may have its status changed to a Transmission Owner under this Agreement upon notice to SPP and execution of this Agreement as a Transmission Owner.

**Open Access Transmission Tariff (OATT)**

The SPP nondiscriminatory, Open-Access Transmission Tariff (OATT) on file with FERC pursuant to Section 205 of the Federal Power Act under which SPP will offer transmission service, or any such successor tariff.

**Partial Termination**

Shall have the meaning given in Section 4.1.

**Regional Entity**

An entity having enforcement authority delegated to it by NERC pursuant to a delegation agreement accepted by FERC.

**Reliability Coordinator**

SPP, in performing its reliability coordinator function as recognized by NERC pursuant to its policies, and pursuant to SPP Criteria and this Agreement.

**SPP**

Southwest Power Pool, Inc., or successor organization.

**SPP Criteria**

SPP's approved operating and planning criteria.

**SPP Region**

The geographic area encompassing the transmission systems of Members that are Transmission Owners.

**Standards of Conduct**

SPP's Standards of Conduct that apply to the conduct of its directors, officers, employees, Regional Entity trustees, contractors, and agents.

**Tariff Facilities**

The Electric Transmission System and the Distribution Facilities subject to SPP's tariff administration.

**Termination**

Shall have the meaning given in Section 4.1.

**Termination Date**

Shall mean the date of Termination is effective in accordance with Section 4.2.2(b).

**Transmission Customer**

A customer under the Open Access Transmission Tariff

**Transmission Owner**

A signatory to this Agreement which: (1) transfers functional control of *Tariff Facilities* related to the rates, terms and conditions of the OATT to SPP by executing this Agreement; or (2) appoints SPP under another agreement to provide service under the Transmission Tariff over *Tariff Facilities* which it owns or controls; or (3) is assigned by SPP to construct and accepts the obligation to construct new *Tariff Facilities*; or (4) undertakes another Transmission Owner's obligation to construct *Tariff Facilities* in accordance with Section 3.3(c) of this Agreement and Attachment O of the SPP OATT.

### **3.3 Construction**

- (a) As part of its planning activities, SPP shall be responsible for planning, and for directing or arranging, necessary transmission expansions, additions, and upgrades that will enable it to provide efficient, reliable and non-discriminatory transmission service and to coordinate such efforts with the appropriate state authorities, including the Member's governing board where it serves as that authority. Transmission Owner shall use due diligence to construct transmission facilities as directed by SPP in accordance with the OATT and this Agreement, subject to such siting, permitting, and environmental constraints as may be imposed by state, local and federal laws and regulations, and subject to the receipt of any necessary federal or state regulatory approvals, including, as necessary, the Member's governing board where it serves as that authority. Such construction shall be performed in accordance with Good Utility Practice, applicable SPP Criteria, industry standards, Transmission Owner's specific reliability requirements and operating guidelines (to the extent these are not inconsistent with other requirements), and in accordance with all applicable requirements of federal or state regulatory authorities. Transmission Owner shall be fully compensated to the greatest extent permitted by FERC, or other regulatory authority for the costs of construction undertaken in accordance with the OATT.
- (b) After a new transmission project has received the required approvals and been approved by SPP, SPP will direct the appropriate Transmission Owner(s) to begin implementation of the project. If the project forms a connection between facilities of a single Transmission Owner, that Transmission Owner will be designated to provide the new facilities. If the project forms a connection between facilities owned by multiple parties, all parties will be designated to provide their respective new facilities. The parties will agree among themselves as to how much of

the project will be provided by each entity. If agreement cannot be reached, SPP will facilitate the ownership determination process.

- (c) A designated ~~provider~~ Transmission Owner for a project can elect to arrange for ~~a new~~ another entity or another Transmission Owner to build and/or own the project in its place, provided that such other entity executes this Agreement as a Transmission Owner and accepts all of the obligations of a Transmission Owner under this Agreement and the OATT. If a designated ~~provider(s)~~ Transmission Owner(s) does not or cannot agree to implement the project in a timely manner, SPP will solicit and evaluate proposals for the project from other entities and select a replacement.



## 4.2 Termination Procedures and Effective Dates

### 4.2.1 Notice of Voluntary Withdrawal

Subject to Section 4.3, a Member may withdraw voluntarily from this Agreement, provided that it has given written notice to the President of its intent to withdraw. Notice of intent to withdraw must state a proposed date for the withdrawal and be delivered to the President no less than twelve (12) months prior to such date. The President will advise the Members and the Board of Directors of any withdrawal notices received. In order to assure that there is no more than one proposed termination date with respect to a Member, a withdrawal notice shall be deemed to ~~rescind~~ supersede any prior withdrawal notice given by the Member, except that a Member may not submit a withdrawal notice less than twelve (12) months prior to the termination date proposed in the Member's previous notice of intent to withdraw. A Member may not rescind its notice of intent to withdraw within the twelve (12) months prior to the termination date proposed in the Member's notice of intent to withdraw, except with the written agreement of SPP, which agreement shall be within SPP's sole discretion, taking into account the impact of rescinding the termination upon SPP and other Members' ability to plan future operations. Voluntary withdrawal is a Termination and creates the same obligations as a Termination for any other reason.

### 4.2.2 Effective Date of Termination

- (a) **Voluntary Withdrawal.** If the withdrawing Member is not a Transmission Owner subject to FERC jurisdiction, the Termination Date shall be the date proposed in the withdrawal notice under Section 4.2.1 or otherwise agreed by SPP. If the withdrawing Member is a Transmission Owner subject to FERC jurisdiction, the Termination Date shall be the later of (i) the proposed date specified in the withdrawal notice or otherwise agreed by SPP, (ii) the effective date, if any, set by the FERC order approving the withdrawal; or (iii) the date that such FERC order is no longer subject to review by a court of competent jurisdiction.
- (b) **Termination other than Voluntary Withdrawal.** If the Termination occurs for any reason other than the Member's voluntary withdrawal under Section 4.2.1 or by agreement with SPP, the Termination Date shall be as follows:

- (i) If the Member is not a Transmission Owner subject to FERC jurisdiction, the Termination Date shall be the date of the event by which the Termination occurs, for example, the date a party gives notice that it will treat a breach or repudiation as a Termination or the date a Member withdraws in order to comply with the terms of a law or regulation. The foregoing notwithstanding, if the Termination occurs due to the order of a court or administrative agency, the Termination Date shall be the date the order is no longer subject to review by a court of competent jurisdiction.
- (ii) If the Member is a Transmission Owner requiring regulatory agency approval prior to effectively withdrawing from SPP, then the Termination Date shall be the later of (i) the effective date, if any, set by the regulatory agency order approving the Termination; or (ii) the date that such regulatory order is no longer subject to review by a court of competent jurisdiction.
- (iii) In conjunction with the requirements and limitations imposed in Section 4.2.2(b)(ii) above; Transmission Owning Members of SPP wishing to withdraw from SPP and requiring regulatory agency approval prior to such withdrawal being effective are required to initiate the required regulatory filings seeking approval to withdraw prior to the end of the 12 month notice period. Additionally, these members must provide SPP copies of the regulatory filings in a timely manner after filing with the appropriate regulatory agency. Failure to comply with the terms of this paragraph will effectively rescind the notice of the withdrawing member.
- (iv) Member may terminate this Agreement with less than the required twelve (12) months notice, in the event that the state law governing Member changes, or any provisions of this Agreement or the provisions of SPP's OATT are changed or modified in a manner that causes a conflict with the Member's state law, regulations, or

rate schedules, and the internal dispute resolution process described in Section 12 of the OATT is unable to resolve such conflict. In such event, Member and SPP shall meet and confer to facilitate the withdrawal as soon as practicable as necessary to ensure compliance with state law.

### **4.3 Obligations Upon Termination**

#### **4.3.1 Obligation to Hold Users Harmless**

Transmission Customers taking service which involves facilities being withdrawn by a Transmission Owner from the functional control of SPP and where such service is under transmission contracts executed before the Termination Date shall continue to receive the same service for the remaining term of each such contract at the same rates, terms, and conditions that would have been applicable if the Termination or Partial Termination had not occurred. Transmission Owner agrees to continue providing service to such Transmission Customers in accordance with the preceding sentence, and shall receive revenues calculated in accordance with the OATT but no more in revenues for that service than if there had been no Termination or Partial Termination.

#### **4.3.2 Obligation to Pay Current and Existing Obligations**

- (a) In the event of a Termination or Partial Termination, Member shall pay all obligations incurred under this Agreement at any time prior to the Termination Date. In addition, in order for SPP to recover a portion of certain debts and cost payable by SPP after the Termination Date as further specified in this Agreement, the Member shall pay all Existing Obligations (as defined herein) calculated as of the Termination Date. SPP shall make reasonable efforts to mitigate the Member's Existing Obligations by commercially reasonable actions (such as prepayment of allocable debt, or investment of part or all of the Member's payment in an interest-bearing instrument) and, in its discretion, may further discount the Member's Existing Obligations to reflect any additional mitigation SPP determines it will achieve.
- (b) "Existing Obligations" are all of the following and other obligations as may be set forth in the Bylaws from time to time;
  - i. Member's unpaid annual membership fee,
  - ii. Member's unpaid dues, assessments, and other amounts charged under Section 3.8 of this Agreement, Section 8.4 of the Bylaws, or otherwise under the Bylaws, plus the Member's share of costs SPP

customarily includes in such dues, assessments or other charges, but which as of the Termination Date SPP had not included in such dues assessments or other charges.

- iii. Member's share (computed in accordance with the Bylaws) of the entire principal amounts of all SPP Financial Obligations outstanding as of the Termination Date. "Financial Obligations" are all long-term (in excess of six (6) months) financial obligations of SPP, including but not limited to the following:
  - a. debts under all loans, loan agreements, borrowings, promissory notes, bonds, and credit lines under which SPP is obligated, including principal and interest;
  - b. all payment obligations under equipment leases, financing leases, capital leases, real estate and office space leases, consulting contracts, and contracts for outsourced services;
  - c. any unfunded liabilities of any SPP employee pension funds, whether or not liquidated or demanded; and
  - d. the general and administrative overhead of SPP for a period of three (3) months.
- iv. Any costs, expenses or liabilities incurred by SPP directly due to the Termination, regardless of when incurred or payable, and including without limitation prepayment premiums or penalties arising under SPP Financial Obligations.
- v. Member's share (computed in accordance with the Bylaws) of all interest that will become due for payment with respect to all interest bearing Financial Obligations after the Termination Date and until the maturity of all Financial Obligations in accordance with their respective terms ("Future Interest"). In the effect at the Termination Date shall be used to calculate the applicable Future Interest. In determining the Member's share of Future Interest, SPP shall take into account any reduction of Financial Obligations due to mitigation under this Section.

- (c) In the event of a Partial Termination, Existing Obligations shall first be calculated as though a Termination occurred, and the Member shall pay a percentage thereof as Existing Obligations due to the Partial Termination. Such percentage shall be the percentage reduction of the Net Energy for Load Ratio applicable to the Member resulting from the Partial Termination.
- (d) In the event of a voluntary termination by Member, Member shall pay to SPP all costs SPP incurs to remove Member's transmission facilities and/or customers from SPP markets and operations. Such costs will be determined by SPP and included in the invoice to Member as discussed in Section 4.3.2(e) of this Agreement.
- (de) SPP shall invoice Member for Existing Obligations within one month after the Termination Date, except that delay by SPP in issuing the invoice shall not diminish Member's obligation to make timely payment. The invoice shall be due and payable no later than five (5) business days after issuance. Any amounts owed by SPP to the Member shall, solely at SPP's election and in its discretion, be offset against the Member's Existing Obligations or paid to the Member concurrently with issuance of the invoice.
- (ef) The Member acknowledges and agrees that Existing Obligations include amounts that SPP expects to accrue and that will become payable by SPP between the date of Member's Notice of Termination and the Member's Termination Date, and that no part of a payment of Existing Obligations shall be refundable to the Member under any circumstances, including (except as provided in this Section with respect to mitigation or the execution of a new Membership Agreement by the Member after the Member's Termination) any reduction of the Financial Obligations. Any disagreement as to the calculation of Existing Obligations shall be resolved in accordance with the dispute resolution procedures in the Bylaws. If, after Termination, the Member elects to re-join SPP as a Transmission Owner and execute the Membership Agreement then in effect, SPP, in its sole discretion, may elect to credit a portion or all of the

Member's Existing Obligations paid to SPP upon the Member's earlier Termination against any future payments owed by the Member to SPP.

#### **4.3.3 Construction of Transmission Facilities**

Any obligations relating to the construction of new facilities pursuant to an approved plan of SPP shall be renegotiated between SPP and the Transmission Owner prior to the Termination Date so as to continue the Transmission Owner's construction obligation~~or promptly thereafter~~. If such obligations cannot be resolved through negotiations, they shall be resolved in accordance with the dispute resolution procedures in the Bylaws.

#### **4.3.3A Continuing Payment for Base Plan Upgrades**

Upon withdrawal of a Transmission Owner's Base Plan Upgrades, customers allocated construction costs associated with such Base Plan Upgrades under Attachment J of the OATT shall continue to be permitted to use such Base Plan Upgrades and SPP shall be permitted to continue to provide service using such Base Plan Upgrades to such customers. Such customers shall continue to pay costs associated with construction of such withdrawn Base Plan Upgrades, which shall be collected by SPP and remitted to the withdrawing Transmission Owner. Charges associated with withdrawn Base Plan Upgrades shall be calculated using the methodology for calculating Base Plan Zonal charges and Base Plan Region-wide charges applicable to the customer's service as specified in Schedule 11 of the OATT. Continuing service on such Base Plan Upgrades and continuing payments to a withdrawing Transmission Owner shall be governed by a seams agreement to be negotiated by SPP and the withdrawing Transmission Owner.

#### **4.3.3B Transmission Plan Obligations**

A withdrawing or terminated Member that terminates an existing Service Agreement or withdraws all or part of its load from service under the SPP OATT shall be financially responsible to pay SPP for all applicable Point-To-Point Transmission Service Termination Costs and/or Network Service Termination Costs calculated pursuant to the OATT.

#### **4.3.4 Regulatory and Other Approvals or Procedures**

Any Termination with respect to a Transmission Owner shall be subject to applicable federal and state law and regulatory approvals or procedures.



Southwest Power Pool, Inc.  
Open Access Transmission Tariff  
Sixth Revised Volume No. 1  
Superseding  
Fifth Revised Volume No. 1

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**Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

**Transition Period:** The period from the Effective Date of this Tariff for the provision of Network Integration Transmission Service to the last day of the fifth year thereafter. The Transition Period for a Member that is a Nebraska public-power entity shall be the period from the effective date of the transfer of functional control to the last day of the fifth year thereafter.

**Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

**Transmission Owner:** Each Member of SPP: (i) whose *Tariff* facilities (in whole or in part) make up the Transmission System *or who has accepted from SPP an assignment (notification to construct pursuant to Attachment O) to build and own transmission facilities but does not yet own transmission facilities under SPP's functional control*; and (ii) has executed an SPP Membership Agreement as a Transmission Owner. Those Transmission Owners that are not regulated by the Commission shall not become subject to Commission regulation by virtue of their status as Transmission Owners under this Tariff; provided, however, that service over their facilities classified as transmission and covered by the Tariff shall be subject to Commission regulation.

**Transmission Provider:** The Southwest Power Pool, Inc., as agent for and on behalf of the Transmission Owners.

**Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

**Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

**Transmission System:** The facilities used by the Transmission Provider to provide transmission service under Part II, Part III and Part IV of the Tariff.

## **25A Point-To-Point Transmission Service Termination Charges**

Transmission Customers taking Firm Point-To-Point Transmission Service under a Service Agreement with a term of five (5) years or longer shall be responsible for paying Point-To-Point Transmission Service Termination Charges upon the termination of their Service Agreement, unless the Transmission Customer renews its Service Agreement or replaces it with Network Integration Transmission Service. Upon the Transmission Customer's termination of service under the Tariff and Service Agreement, the Transmission Customer shall pay to the Transmission Provider the Transmission Customer's share of the costs of constructing any transmission facilities that were approved for inclusion in an SPP transmission plan prior to the date that the Transmission Customer's service is terminated. The Transmission Customer's share of such costs shall be calculated as the sum of:

- (1) the percentage represented by the Transmission Customer's total contribution to the Base Plan Zonal Annual Transmission Revenue Requirement in the year preceding the termination (total Base Plan Zonal Charges for Point-To-Point Transmission Service paid by the Transmission Customer in the year preceding the termination divided by the Base Plan Zonal Annual Transmission Revenue Requirement for the preceding year) for the Zone upon which the Transmission Customer's charge is based, multiplied by the cost associated with construction of Base Plan Upgrades allocated to the Zone pursuant to Attachment J of the Tariff that has not been recovered from customers as of the termination of the Service Agreement;
- (2) the percentage represented by the Transmission Customer's total contribution to Region-wide Annual Transmission Revenue Requirement in the year preceding the termination (total Region-wide Charges for Point-To-Point Transmission Service paid by the Transmission Customer in the year preceding the termination divided by the Region-wide Annual Transmission Revenue Requirement for the preceding year) multiplied by the cost associated with construction of Base Plan Upgrades allocated on a Region-wide basis pursuant to Attachment J of the Tariff that has not been recovered from customers as of the termination of the Service Agreement; and
- (3) any other costs of transmission facilities that were directly allocated to the Transmission Customer under the Tariff and that have not yet been recovered.

For the purposes of this section, costs associated with construction of Base Plan Upgrades shall include (a) all capital expenditures currently included in revenue requirements and (b) estimated capital expenditures not yet included in revenue requirements for Base Plan Upgrades for which the Transmission Provider has authorized construction pursuant to Attachment O of

the Tariff (notification to construct) as of the termination of the Transmission Customer's Service Agreement.

All Point-To-Point Transmission Service Termination Charges shall be due and payable within 30 days following the termination of the Transmission Customer's Service Agreement. Upon the Transmission Customer's request, the Transmission Provider, in its sole discretion, may allow the Transmission Customer to pay Point-To-Point Transmission Service Termination Charges in equal payments spread out over a five-year period with interest calculated at the applicable interest rate specified by FERC at 18 C.F.R. § 35.19a.

### **34A Network Service Termination Charges**

Upon the Network Customer's termination of service or withdrawal of any portion of its load from service under the Tariff, where the network load is not thereafter served by another entity's Network Service under the Tariff, the Network Customer shall pay to SPP the Network Customer's share of the costs of constructing any transmission facilities that were approved for inclusion in an SPP transmission plan prior to the date that the Network Customer's service is terminated. The Network Customer's share of such costs shall be calculated as the sum of: (1) for each Zone in which the Network Customer has Network Load, the Network Customer's Base Plan Zonal Load Ratio Share (as calculated pursuant to Schedule 11 of this Tariff) for the Network Customer's withdrawn Network Load in such Zone, multiplied by the cost associated with the construction of Base Plan Upgrades allocated to the Base Plan Zonal Annual Transmission Revenue Requirement for such Zone pursuant to Attachment J of the Tariff that has not been recovered from customers as of the termination of the Network Customer's Service Agreement or withdrawal of a portion of the Network Customer's load; (2) the Network Customer's Region-wide Load Ratio Share (as calculated pursuant to Schedule 11 of this Tariff) for the Network Customer's withdrawn Network Load, multiplied by the cost associated with construction of Base Plan Upgrades allocated on a Region-wide basis pursuant to Attachment J of the Tariff that has not been recovered from customers as of the termination of the Network Customer's Service Agreement or withdrawal of a portion of the Network Customer's load; and (3) for Network Customers that terminate service to their entire load under the Tariff, any other costs of transmission facilities that were directly allocated to the Network Customer under the Tariff and that have not yet been recovered.

For the purposes of this section, costs associated with construction of Base Plan Upgrades shall include (a) all capital expenditures currently included in revenue requirements and (b) estimated capital expenditures not yet included in revenue requirements for Base Plan Upgrades for which the Transmission Provider has authorized construction pursuant to Attachment O of the Tariff (notification to construct) as of the termination of the Network Customer's Service Agreement or withdrawal of a portion of the Network Customer's Load.

All Network Service Termination Charges shall be due and payable within 30 days following the termination of the Network Customer's Service Agreement or withdrawal of a portion of the Network Customer's load. Upon the Network Customer's request, the

Transmission Provider, in its sole discretion, may allow the Network Customer to pay Network Service Termination Charges in equal payments spread out over a five-year period with interest calculated at the applicable interest rate specified by FERC at 18 C.F.R. § 35.19a.

**ATTACHMENT A**  
**Form Of Service Agreement For Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Southwest Power Pool, Inc. ("The Transmission Provider"), and \_\_\_\_\_ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by The Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has completed all credit arrangements required pursuant to Section 17.3 and Attachment X of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by The Transmission Provider and the Transmission Customer. Upon termination, Transmission Customer agrees to pay Point-To-Point Transmission Service Termination Charges calculated pursuant to Section 25A of the Tariff.
- 5.0 The Transmission Customer agrees to supply information The Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.



6.0 The Transmission Provider, as agent for the Transmission Owners, agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Parts I, II and V of the Tariff and this Service Agreement.

7.0 To the extent necessary to effectuate any transaction entered into pursuant to this Service Agreement, the following Transmission Owner(s) shall provide Wholesale Distribution Service over Distribution Facilities:

8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Southwest Power Pool:

\_\_\_\_\_

415 N. McKinley, 140 Plaza West

Little Rock, AR 72205

Transmission Customer:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Southwest Power Pool:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

**Specifications For Long-Term Firm Point-To-Point  
Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
  
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
  
\_\_\_\_\_
  
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_
  
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_
  
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): \_\_\_\_\_
  
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
  
\_\_\_\_\_  
  
\_\_\_\_\_
  
- 7.0 Name(s) of any Intervening Systems providing transmission service:  
  
\_\_\_\_\_  
  
\_\_\_\_\_

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: \_\_\_\_\_

\_\_\_\_\_

8.2 System Impact and/or Facilities Study Charge(s):

\_\_\_\_\_

\_\_\_\_\_

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_

\_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ATTACHMENT F**  
**Service Agreement For Network Integration Transmission Service**

This Network Integration Transmission Service Agreement ("Service Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Federal Energy Regulatory Commission ("Commission") as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the SPP Region and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0 The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.
- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service Agreement with attached specifications.
- 3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff, as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective through \_\_\_\_\_. Thereafter, it will continue from year to year unless terminated by the Network Customer or the Transmission Provider by giving the other one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement. Upon termination, the Network Customer also shall pay Network Service Termination Charges calculated pursuant to Section 34A of the Tariff.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

Southwest Power Pool, Inc. (Transmission Provider):

\_\_\_\_\_  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205  
Email Address:  
Phone Number:

Network Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email Address:  
Phone Number:

7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.

8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated

thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

NETWORK CUSTOMER

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_



ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE  
AGREEMENT

**BETWEEN SOUTHWEST POWER POOL AND \_\_\_\_\_**  
**SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

**1.0 Network Resources**

The Network Resources are listed in Appendix 1.

**2.0 Network Loads**

The Network Load consists of the bundled native load or its equivalent for Network Customer load in the \_\_\_\_\_ Control Area as listed in Appendix 3.

The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point, and each generating facility. The meter owner shall cause to be provided to the Transmission Provider, Network Customer and applicable Transmission Owner, on a monthly basis such data as required by Transmission Provider for billing. The Network Customer's load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission and distribution losses, as applicable, as specified in Sections 8.5 and 8.6, respectively. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters may be substituted for hourly integrated demand data. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly Network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

**3.0 Affected Control Areas and Intervening Systems Providing Transmission Service**

The affected control area is \_\_\_\_\_. The intervening systems providing transmission service are \_\_\_\_\_.

**4.0 Electrical Location of Initial Sources**

See Appendix 1.

**5.0 Electrical Location of the Ultimate Loads**

The loads of \_\_\_\_\_ identified in Section 2.0 hereof as the Network Load are electrically located within the \_\_\_\_\_ Control Area.

## **6.0 Delivery Points**

The delivery points are the interconnection points of \_\_\_\_\_ identified in Section 2.0 as the Network Load.

## **7.0 Receipt Points**

The Points of Receipt are listed in Appendix 2.

## **8.0 Compensation**

Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

### **8.1 Transmission Charge**

Monthly Demand Charge per Section 34 and Part V of the Tariff.

### **8.2 System Impact and/or Facility Study Charge**

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

### **8.3 Direct Assignment Facilities Charge**

### **8.4 Ancillary Service Charges**

**8.4.1** The following Ancillary Services are required under this Service Agreement.

- a) Scheduling, System Control and Dispatch Service per Schedule 1 of the Tariff.
- b) Tariff Administration Service per Schedule 1-A of the Tariff.
- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.
- d) Regulation and Frequency Response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve - Spinning Reserve Service per Schedule 5 of the Tariff.
- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

**8.4.2** In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

**8.4.3** When the Network Customer elects to self-supply or have third party provide Ancillary Services and is unable to provide its Ancillary Services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

**8.4.4** All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

**8.5 Real Power Losses - Transmission**

The Network Customer shall replace losses in accordance with Attachment M of the Tariff.

**8.6 Real Power Losses - Distribution**

**8.7 Power Factor Correction Charge**

**8.8 Redispatch Charge**

Redispatch charges shall be in accordance with Section 33.3 of the Tariff.

**8.9 Wholesale Distribution Service Charge**

**8.10 Network Upgrade Charges**

**8.11 Meter Data Processing Charge**

**8.12 Other Charges**

**9.0 Credit for Network Customer-Owned Transmission Facilities**

**10.0 Designation of Parties Subject to Reciprocal Service Obligation**

**11.0 Other Terms and Conditions**







## ATTACHMENT O

### VI. Construction of Transmission Facilities

- 1) The Transmission Provider shall not build or own transmission facilities. The Transmission Provider, with input from the Transmission Owners and other stakeholders, shall designate in a timely manner within the SPP Transmission Expansion Plan (“STEP”) one or more Transmission Owners to construct, own, and/or finance each project in the plan.
- 2) Any owner of Transmission Facilities, as defined in Attachment AI of this Tariff, which are or are capable of being used by the Transmission Provider to provide transmission service pursuant to Part II and Part III of this Tariff, shall have the right to sign the SPP Membership Agreement as a Transmission Owner and thereby acquire all of the rights and obligations of a Transmission Owner described therein, including all of the rights and obligations of a Transmission Owner described in this Tariff and specifically this Section VI. Each Transmission Owner and every other entity designated to construct a project by the Transmission Provider pursuant to this Section VI shall use due diligence to construct transmission facilities as directed by the SPP Board of Directors subject to such siting, permitting, and environmental constraints as may be imposed by state, local and federal laws and regulations, and subject to the receipt of any necessary federal or state regulatory approvals. Such construction shall be performed in accordance with Good Utility Practice, applicable SPP Criteria, industry standards, the applicable Transmission Owner’s specific reliability requirements and operating guidelines (to the extent these are not inconsistent with other requirements), and in accordance with all applicable requirements of federal or state regulatory authorities. Each Transmission Owner shall be fully compensated to the greatest extent permitted by the Commission for the costs of construction undertaken by such Transmission Owner in accordance with this Tariff.
- 3) A specific endorsed Sponsored Upgrade in the SPP Transmission Expansion Plan will be deemed approved for construction upon execution of a contract that financially commits a Project Sponsor to such upgrade.
- 4) After a new transmission project is (i) approved under the SPP Transmission Expansion Plan or (ii) required pursuant to a Service Agreement or (iii) required by a generation interconnection agreement to be constructed by a Transmission Owner(s) other than the Transmission Owner that is a party to the generation interconnection agreement, the Transmission Provider shall direct the appropriate Transmission Owner(s) to begin implementation of the project for which financial commitment is required prior to the approval of the next update of the SPP Transmission Expansion Plan. At the discretion of the SPP Board of Directors, the Transmission Provider may direct the appropriate Transmission Owner(s) to begin implementation of other such approved or required transmission projects for which financial commitment is not required prior to approval of the next SPP

Transmission Expansion Plan. The direction from the Transmission Provider shall be provided in writing to the Transmission Owner(s) designated to construct the project (“Designated Transmission Owner(s)”). The written notification to the Designated Transmission Owner(s) (“Notification to Construct”) shall include but not be limited to: (1) the specifications of the project required by the Transmission Provider; ~~and~~ (2) a reasonable project schedule, including a project completion date; and (3) a requirement that the Designated Transmission Owner execute the Membership Agreement as a Transmission Owner and undertake all obligations of a Transmission Owner under the SPP Membership Agreement and Tariff, if it has not already done so (~~“Notification to Construct”~~). If the project forms a connection with facilities of a single Transmission Owner, that Transmission Owner shall be designated to construct the project. If the project forms a connection with facilities owned by multiple Transmission Owners, the applicable Transmission Owners will be designated to provide their respective new facilities. If there is more than one Transmission Owner designated to construct a project, the Designated Transmission Owners will agree among themselves which part of the project will be provided by each entity. If the Designated Transmission Owners cannot come to a mutual agreement regarding the assignment and ownership of the project the Transmission Provider will facilitate their discussion. Each project or segment of a project being built by a single Designated Transmission Owner shall be considered a separate project for purposes of Section VI.6 and each Designated Transmission Owner will receive a separate Notification to Construct for each project or segment of a project they are responsible to construct.

- 5) Network Upgrade(s) and Distribution Upgrades (as defined in Attachment V to the Tariff) identified in a generation interconnection agreement will be constructed pursuant to the generation interconnection agreement or pursuant to Section VI.4 of this Attachment O. Network Upgrades and Distribution Upgrades (as defined in Attachment V to the Tariff) identified in a generation interconnection agreement required to be constructed by the Transmission Owner who is a party to the generation interconnection agreement shall be constructed pursuant to the generation interconnection agreement. All other Network Upgrades and Distribution Upgrades (as defined in Attachment V to the Tariff) identified in a generation interconnection agreement to be constructed by Transmission Owners not a party to the generation interconnection agreement shall be constructed pursuant to Section VI.4 of this Attachment O.
- 6) In order to maintain its right to construct the project, the Designated Transmission Owner shall respond within ninety (90) days after the receipt of the Notification to Construct with a written commitment to construct the project as specified in the Notification to Construct *or a proposal for a different project schedule and/or alternative specifications in its written commitment to construct (“Designated Transmission Owner’s proposal”)*. *The Transmission Provider shall respond to the Designated Transmission Owner’s proposal within ten (10) days of its receipt of the proposal. If the Transmission Provider accepts the Designated*



*Transmission Owner's proposal, the NTC will be modified according to the accepted proposal and the Designated Transmission Owner shall construct the project in accordance with the modified NTC. If the Transmission Provider rejects the Designated Transmission Owner's proposal, the Designated Transmission Owner's proposal shall not be deemed an acceptable written commitment to construct the project. However, the Transmission Provider's rejection of such proposal shall not preclude a Designated Transmission Owner from providing a written commitment to construct the project after such rejection, provided the subsequent written commitment to construct the project is made within the ninety day time period after the issuance of the NTC.*

If a Designated Transmission Owner does not provide an acceptable written commitment to construct within *the* ninety (90) day period, the Transmission Provider shall solicit and evaluate proposals for the project from other entities and select a replacement designated provider. The Transmission Provider shall solicit proposals from entities that meet certain specified legal, regulatory, technical, financial and managerial qualifications, specifically including the following:

- i) Entities that have obtained all state regulatory authority necessary to construct, own and operate transmission facilities within the state(s) where the project is located,
- ii) Entities that meet the creditworthiness requirements of the Transmission Provider,
- iii) Entities that have signed or are capable and willing to sign the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project, and
- iv) Entities that meet such other technical, financial and managerial qualifications as are specified in the Transmission Provider's business practices.

The Transmission Provider shall evaluate each proposal with regard to the cost, reliability and timeliness of the proposed construction of the project and shall make a recommendation to the Board of Directors. The Board of Directors shall thereafter select an entity making a proposal and arrange for that entity to construct the project. The Designated Transmission Owner, if it has not already done so, shall execute the Membership Agreement as a Transmission Owner and undertake all obligations of a Transmission Owner under the SPP Membership Agreement and Tariff.

*At any time, a Designated Transmission Owner may elect to arrange for another entity or another existing Transmission Owner to build and own all or part of the project in its place ("Replacement Builder") subject to the qualifications in Subsections i, ii, iii, and iv above. If the Transmission Provider agrees that the*

Replacement Builder is qualified to build and own the part(s) of the project that the Designated Transmission Owner elects to have built and owned by the Replacement Builder, then the Replacement Builder shall, if it has not already done so, execute the Membership Agreement as a Transmission Owner and undertake all obligations of a Transmission Owner under the SPP Membership Agreement and Tariff.

Nothing in this Section VI.6 shall relieve a Transmission Owner of its obligation to construct an upgrade as specified in Section VI.2 of this Attachment O and Section 3.3(a) of the SPP Membership Agreement in the event that no other qualified entity can be found to construct the project.

## ATTACHMENT AP

### Allocation of Costs Associated with Reliability Penalty Assessments

Under the NERC Functional Model and NERC Rules of Procedure, the Transmission Provider may be assessed penalties for confirmed violations of the NERC Reliability Standards. The purpose of this Attachment is to provide notice to all Market Participants ~~and~~, Members, and Withdrawn Members (as defined in this Attachment AP) that they may potentially be responsible for penalty costs assessed against the Transmission Provider for confirmed violations of any NERC Reliability Standard. Market Participants ~~and~~, Members, and Withdrawn Members may be either directly assigned such penalty costs, if it is determined that they are responsible for or have directly contributed to the confirmed violations at issue, or may be assigned a portion of the costs, if the Transmission Provider is assessed a monetary penalty either due to its own confirmed violation or its status, as a Registered Entity under the NERC Functional Model and NERC Rules of Procedure.

This Attachment also provides for the recovery of costs associated with penalties assessed against the Transmission Provider for confirmed violations of NERC Reliability Standards resulting from a confirmed violation of NERC Reliability Standards by a Market Participant(s), Member(s), Withdrawn Member(s), the Transmission Provider, or another entity for whom Transmission Provider is assessed a penalty due to its status as a Registered Entity under the NERC Functional Model and NERC Rules of Procedure. Under this Attachment, the Transmission Provider may seek recovery of the costs associated with any monetary penalty by filing under section 205 of the Federal Power Act for direct recovery of penalty costs from one or more Market Participants ~~or~~, Members, or Withdrawn Members and/or for an allocation of penalty costs among all Market Participants ~~and~~, Members, and Withdrawn Members. Additionally, this Attachment provides for the participation of Market Participants, Members, and Withdrawn Members in the penalty assessment process with the Transmission Provider if the Market Participant, Member, or Withdrawn Member is alleged to have been directly involved in the event causing the potential penalty.

#### 1. Definitions

All defined terms in this Attachment shall have the meaning given to them in the Tariff unless otherwise stated below.

**Compliance Monitoring and Enforcement Program** - The program used by NERC and the Regional Entities to monitor, assess, and enforce compliance with Reliability Standards within the United States. This is accomplished through compliance monitoring and audits, as well as the conduct of investigations and the assessment of monetary and non-monetary penalties for violations.

**Electric Reliability Organization or ERO** - An organization certified by the Commission to develop and enforce mandatory reliability standards and assess penalties against users, owners and operators of the bulk power system that violate such standards.

**North American Electric Reliability Corporation (“NERC”)** - The organization designated as ERO by the Commission on July 20, 2006.

**NERC Compliance Registry** - The registry maintained by NERC that records which Registered Entity is responsible for performing the set of functions required to ensure compliance with each NERC Reliability Standard.

**NERC Functional Model** - The Model defining the set of functions that must be performed to ensure the reliability of the electric bulk power system. The NERC Reliability Standards establish the requirements of the responsible entities that perform the functions defined in the Functional Model.

**NERC Reliability Standards** - Standards developed by NERC and approved by the Commission to ensure reliability of the bulk power system, violation of which may result in the imposition of mitigation programs or monetary penalties.

**NERC Rules of Procedure** - The rules and procedures developed by NERC and approved by the Commission. These rules include the process by which a responsible entity, who is to

perform a set of functions to ensure the reliability of the electric bulk power system, must register as a Registered Entity.

**Registered Entity** - The entity registered under the NERC Functional Model and NERC Rules of Procedures for the purpose of compliance with NERC Reliability Standards and responsible for carrying out the tasks within a NERC function without regard to whether a task(s) is performed by another entity pursuant to the terms of its governing documents.

**Regional Entity (RE)**- NERC has designated the Transmission Provider as “Regional Entity” in the SPP region and has delegated ERO functions to Transmission Provider in the region.

**Withdrawn Member** – An entity that was a Member of SPP at the time that the conduct giving rise to a reliability penalty occurred, but that has since terminated its SPP Membership.

## **2. Direct Assignment of Costs Where Violation Can Be Directly Assigned**

The purpose of this section of this Attachment is to provide notice to all Market Participants ~~and~~ Members, and Withdrawn Members that they may potentially be responsible for reliability penalty costs assessed in the event that the Market Participant's, ~~or~~ Member's, or Withdrawn Member's conduct or omission contributed to the violation(s) for which a monetary penalty was assessed to the Transmission Provider. This section provides for notification for the potential direct assignment of costs related to reliability violations that may be assessed to the Transmission Provider. The Transmission Provider shall notify, in writing, any potentially affected Member(s) ~~or~~ Market Participant(s), or Withdrawn Members of an alleged violation as soon as possible after notifications by the RE or NERC of the commencement of procedures under the Compliance Monitoring and Enforcement Program. In addition, the Transmission Provider will invite the affected Member(s) ~~or~~ Market Participant(s), or Withdrawn Member(s) to fully participate in all discussions and/or proceedings under the Compliance Monitoring and Enforcement Program.

If there is i) an assessment of a monetary penalty against the Transmission Provider as the Registered Entity for a confirmed violation of a NERC Reliability Standard(s) and ii) as a result of proceedings under the Compliance Monitoring and Enforcement Program, it is determined that one or more Market Participants, Members, Withdrawn Members, or Registered Entities are deemed to have directly contributed to or found to have been a “root cause(s)” of such confirmed violation(s), such Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) may be assessed a portion of or all of the monetary penalty; provided that all of the following conditions have been satisfied:

(1) During the course of an investigation by NERC, the RE or the Commission regarding the possibility of a Transmission Provider alleged violation of a NERC Reliability Standard, if the Transmission Provider believes that a Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) may have contributed to the violation under investigation, the Transmission Provider will provide a) reasonable prior written notice to the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) that the Transmission Provider believes may have contributed to the violation and that it intends to seek to hold the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) responsible for a portion of or all of the monetary penalties that result; and b) the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) is provided the opportunity to fully participate in all discussions and/or proceedings under the Compliance Monitoring and Enforcement Program.

(2) In addition to the Transmission Provider providing sufficient notice to a Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) under Section 2(1) of this Attachment, it will also provide notice to NERC, the RE and the Commission of its allegations that the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) may have contributed to the alleged violation and that the Transmission Provider intends to hold the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) responsible for a portion of or all of the monetary penalties that result from the investigation which determines to what extent the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) contributed to or was a “root cause(s)” of the confirmed violation; (3) If, as a

result of proceedings under the Compliance Monitoring and Enforcement Program, it is determined that the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) cited by the Transmission Provider contributed to or was a “root cause(s)” of the alleged violation, the Transmission Provider will seek to hold the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) responsible for a portion of or all of the monetary penalty assessed as a result of the confirmed violation by making a filing with the Commission under section 205 of the Federal Power Act to assign a portion of or all of the costs of the monetary penalty directly to the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s);

(4) If the Commission accepts the filing, the Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) shall be responsible for its portion of the monetary penalty as determined by the Commission’s order on the section 205 filing.

### **3. Spreading of Costs Where Violation Cannot Be Directly Assigned**

The purpose of this section of this Attachment is to provide notice to all Market Participants~~, and Members, and Withdrawn Members~~ that they may potentially be responsible for reliability penalty costs assessed to the Transmission Provider that cannot be directly assigned under Section 2 of this Attachment. This section provides for a spreading of a portion of or all of such reliability penalty costs among all Market Participants~~, and~~, Members, and Withdrawn Members where the Transmission Provider itself is responsible for a confirmed violation of a Reliability Standard or where the Transmission Provider is assessed a penalty because of its status as a Registered Entity for a given Reliability Standard and the entity responsible for the violation cannot be assessed a penalty because of its status. The Transmission Provider shall notify, in writing, any potentially affected Market Participant(s) ~~or~~, Member(s), or Withdrawn Member(s) of an alleged or confirmed violation as soon as possible after notifications by the RE or NERC of the commencement of procedures under the Compliance Monitoring and Enforcement Program. In addition, the Transmission Provider will

i) invite the affected Member(s) ~~or~~, Market Participant(s), or Withdrawn Member(s) to fully participate in all discussions and/or proceedings under the Compliance Monitoring and

Enforcement Program and ii) timely report status and results of the findings and remedies to the Market Participants, Members, and Withdrawn Members.

If there is an assessment of a monetary penalty against the Transmission Provider as the Registered Entity for a confirmed violation of a NERC Reliability Standard(s), either: (1) as a result of the Transmission Provider's own conduct or omission that resulted in a confirmed violation; or (2) as a result of a violation by another entity for whom the Transmission Provider is the Registered Entity where the entity is not on the NERC Compliance Registry and therefore cannot be directly assessed a penalty because of its status; Market Participants, ~~and~~, Members, and Withdrawn Members may be assessed a portion of the monetary penalty providing the following conditions have been satisfied:

(1) The Transmission Provider has made a filing under section 205 of the Federal Power Act proposing a methodology to allocate a portion of or all of the costs of the monetary penalty among the Market Participants, ~~and~~ Members, and Withdrawn Members;

(2) If the Commission accepts the filing and finalizes such penalty allocations to the Market Participants, ~~and~~, Members, and Withdrawn Members.



## Corporate Governance Committee

First Name	Last Name	Company	Sector	TO/TU
Nick	Brown *	Chairman	SPP	
Kevin	Easley	Grand River Dam Authority	State Agencies	TO
Jim	Eckelberger	Director	N/A	
Cindy	Holman	Oklahoma Municipal Power Authority	Municipals	TU
Rob	Janssen	Dogwood	Independent Power Producer	TU
Steve	Parr	Kansas Electric Power Cooperative	Cooperatives	TU
Mel	Perkins	OG&E Electric Services	Investor-Owned	TO
Stacy	Duckett	Staff	SPP	

\* Chairman

## Finance Committee

First Name	Last Name	Company	Sector	TO/TU
Harry	Skilton *	Chairman	N/A	
Larry	Altenbaumer	Director	N/A	
Sandra	Bennett	American Electric Power	Investor-Owned	TO
Trudy	Harper	Tenaska Power Services Co.	Independent Power Producer	TU
Kelly	Harrison	Westar Energy, Inc	Investor-Owned	TO
Gary	Voigt	Arkansas Electric Cooperative Corporation	Cooperatives	TU
Tom	Dunn	SPP		

\* Chairman

## Human Resources Committee

First Name	Last Name	Company	Sector	TO/TU
Larry	Altenbaumer	Director	N/A	
Phyllis	Bernard *	Chairman	N/A	
Darrell	Dorsey	Board of Public Utilities, Kansas City, KS	Municipals	TU
Trudy	Harper	Tenaska Power Services Co.	Independent Power Producer	TU
Mike	Palmer	The Empire District Electric Company	Investor-Owned	TO
Noman	Williams	Sunflower Electric Power Corporation	Cooperative	TO
Tom	Dunn	SPP		

\* Chairman

## Markets and Operations Policy Committee

First Name	Last Name	Company	Sector	TO/TU
Bob	Adam	Board of Public Utilities, Kansas City, KS	Municipal	TU
Kristy	Ashley	Exelon Power Team	Investor-Owned	TU
Ricky	Bittle	Arkansas Electric Co-op	Cooperative	TU
Bill	Bojorquez	Hunt Transmission Services	Independent Transmission Co.	TU
Julian	Brix	SPP Director Liaison Member		
Jeffrey	Brown	Shell Energy	Marketer	TU
Gregory	Coco	Cleco Power	Investor-Owned	TU
Patricia	Denny	Kansas City Power & Light, GMOC	Investor-Owned	TO
Alan	Derichsweiler	Western Farmers Electric	Cooperative	TO
Bill	Dowling *	Midwest Energy	Cooperative	TO
Les	Evans	Kansas Electric Power	Cooperative	TU
Dennis	Florum	Lincoln Electric System	Municipal	TU
Todd	Fridley **	Kansas City Power & Light	Investor-Owned	TO
Wayne	Galli	Plains and Western Clean Line	Independent Transmission Co.	TU
Ronald	Gary	Lafayette Utilities System	Municipal	TU
Brian	Gedrich	NextEra Energy Resources	Independent Power Producer	TU
William	Grant	Xcel Energy	Investor-Owned	TO
Edd	Hargett	East Texas Electric Co-op	Cooperative	TU
Brent	Hebert	Horizon Wind Energy	Independent Power Producer	TU
Thomas	Hestermann	Sunflower Electric Power	Cooperative	TO
Carl	Huslig	ITC Great Plains	Independent Transmission Co.	TO
Robert	Janssen	Dogwood Energy	Independent Power Producer	TU
Paul	Johnson	Public Service Co. of Oklahoma	Investor-Owned	TO
Jeff	Knottek	City Utilities, Springfield, MO	Municipal	TU
Brett	Kruse	Calpine energy Services	Independent Power Producer	TU
Jacob	Langthorn	OG+E Electric Services	Investor-Owned	TO
Paul	Mahlberg	City of Independence, MO	Municipal	TU
Paul	Malone	Nebraska Public Power District	State Agency	TO
Mark	McCulla	Entergy	Investor-Owned	TU
Errol	Ortego	Louisiana Energy & Power Authority	State Agency	TU
John	Olsen	KGE-Westar Energy	Investor-Owned	TO
John	Orr	Constellation Energy	Marketer	TU
David	Osburn	Oklahoma Municipal	Municipal	TU

## Markets and Operations Policy Committee

		Power Authority		
Dennis	Price	El Paso Merchant Energy	Marketer	TU
Robert	Priest	Clarksdale Public Utilities	Municipal	TU
Eddy	Reece	Rayburn County Electric Co-op	Cooperative	TU
David	Ried	Omaha Public Power District	State Agency	TO
Andrew	Rosenlieb	Energy Asset Management	Independent Power Producer	TU
Richard	Ross	AEP - SWEPCO	Investor-Owned	TO
Neil	Rowland	Kansas Municipal Energy Agency	Municipal	TU
Kevin	Smith	Tenaska Power Service	Independent Power Producer	TU
Mike	Stafford	Grand River Dam Authority	State Agency	TO
Edward	Stoneburg	Trans-Elect Development Company	Independent Transmission Co.	TU
Thomas	Stuchlik	Westar Energy	Investor-Owned	TO
Raja	Sundararajan	AEP – SW Transmission Company	Investor-Owned	TU
Mike	Swearingen	Tri-County Electric Cooperative	Cooperative	TU
Gary	Tarplee	Edison Mission	Marketer	TU
Rick	Tyler	Northeast Texas Electric Co-op	Cooperative	TU
Matthew	Vermilion	AEP Oklahoma Transmission Co.	Investor-Owned	TU
Jennifer	Vosburg	NRG Power Marketing	Marketer	TU
Robert	Walker	Cargill Power Markets	Marketer	TU
Gerrud	Wallaert	Acciona	Independent Power Producer	TU
Bary	Warren	The Empire District	Investor-Owned	TO
Larry	Warren	Deep East Texas Electric Co-op	Cooperative	TU
Brian	Weber	Prairie Wind Transmission	Independent Transmission Co.	TU
Jimmy	Wever	Public Service Commission of Yazoo City, MS	Municipal	TU
Noman	Williams	Sunflower Electric Power	Cooperative	TO
Michael	Wise	Golden Spread Electric Co-op	Cooperative	TU
Walter	Yeager	Duke Energy Americas	Marketer	TU
Carl	Monroe	Southwest Power Pool	SPP	

\* Chairman

\*\* Vice Chairman

## Oversight Committee

First Name	Last Name	Company
Josh	Martin *	Director
Phyllis E.	Bernard	Director
Julian	Brix	Director
Stacy	Duckett	Staff

\* Chairman

## Strategic Planning Committee

First Name	Last Name	Company	Sector	TO/TU
Ricky	Bittle *	Arkansas Electric Cooperative Corporation	Cooperatives	TU
Jim	Eckelberger	Director	N/A	
Les	Evans	Kansas Electric Power Cooperative	Cooperatives	TU
David	Hudson	Xcel Energy	Investor-Owned	TO
Rob	Janssen	Dogwood	Independent Power Producer	TU
Josh	Martin	Director	N/A	
Mike	Palmer	The Empire District Electric Company	Investor-Owned	TO
Melvin	Perkins	OG&E Electric Services	Investor-Owned	TO
Patrick	Pope	Nebraska Public Power District	State Agency	TO
Harry I.	Skilton	Independent Director	N/A	
Mike	Wise	Golden Spread Electric	Cooperatives	TU
Michael	Desselle	Staff, Secretary		

\* Chairman

## Business Practices Working Group

First Name	Last Name	Company	Sector	TO/TU
Jessica	Collins	Xcel	Investor-owned	TO
Angela	Easton	Calpine	IPP	TU
Randy	Gillespie	Kelson Energy	IPP	TU
Ed	Hammons	GRDA	State/Fed	TO
James	Hotovy	NPPD	State/Fed	TO
Rick	McCord	Empire District	Investor-owned	TO
Richard	Ross	AEP	Investor-owned	TO
Robert	Walker **	Cargill	IPP/Marketer	TU
Kara	Whillock	Tenaska	IPP	TU
Grant	Wilkerson *	Westar	Investor-owned	TO
Jimmy	Womack	SPP		

\* Chairman

\*\* Vice Chairman



## Consolidated Balancing Authority Steering Committee

First Name	Last Name	Company	Sector	TO/TU
Bob	Adam	Board of Public Utilities (Kansas City, KS)	Municipal	TU
Douglas	Collins	Omaha Public Power District	State/Federal	TO
Jessica	Collins	Xcel Energy	Investor-owned	TO
Alan	Derichsweiler	Western Farmers Electric Coop	Cooperative	TO
Steve	Ferry	Sunflower Electric	Cooperative	TO
William	Grant	Xcel Energy	Investor-owned	TO
Ron	Gunderson	Nebraska Public Power District	State	TO
Shah	Hossain	Wester Energy	Investor-owned	TO
Paul	Johnson *	American Electric Power	Investor-owned	TO
Rick	McCord	Empire District Electric	Investor-owned	TO
Kim	Morphis	Oklahoma Gas & Electric	Investor-owned	TO
Bill	Nolte	Sunflower Electric	Cooperative	TO
David	Pritchard	American Electric Power	Investor-owned	TO
Steve	Rockey	Grand River Dam Authority	State	TO
Randy	Root	Grand River Dam Authority	State	TO
Eric	Ruskamp	Lincoln Electric System	Municipal	TU
Tom	Saitta	Kansas City Power & Light	Investor-owned	TO
Mike	Stafford	Grand River Dam Authority	State	TO
Shari	Brown	SPP		

\* Chairman

## CRITICAL INFRASTRUCTURE PROTECTION WORKING GROUP

First Name	Last Name	Company	Sector	TO/TU
Ronald	Allen	American Electric Power	Investor-Owned	TO
Dewayne	Ashford	OG&E	Investor-Owned	TO
Sarah	Blankenship	Board of Public Utilities KS	Municipal	TU
John	Breckenridge	Kansas City Power & Light Co	Investor-Owned	TO
Larry	Craddock	Western Farmers Electric Coop.	Cooperative	TO
David	Crayne	Empire District Electric Co.	Investor-Owned	TO
Tony	Eddleman	Nebraska Public Power District	State Agency	TO
Michael	Fitzpatrick	Omaha Public Power District	State Agency	TO
Pete	Lepage	Dogwood Energy, LLC	IPP/Marketer	TU
Mark	MacDonald	Cleco Power, LLC	Investor-Owned	TU
Robert	McClanahan *	Arkansas Electric Coop. Corp.	Cooperative	TU
Sandy	Meyers	City Utilities of Springfield, MO	Municipal	TU
Steve	Moll	Westar Energy, Inc.	Investor-Owned	TO
Mike	Murray	City of Independence, MO	Municipal	TU
Keith	Overland	Sunflower Electric	Cooperative	TO
Philip	Propes	Southwest Power Pool		

\* Chairman

## CHANGE WORKING GROUP

First Name	Last Name	Company	Sector	TO/TU
Timothy	Arlt	Nebraska Public Power Dist	State Agency	TO
Darryl	Boggess	Western Farmers Elec. Coop	Cooperative	TO
Mercedes	Clements	Arkansas Electric Coop. Corp.	Cooperative	TU
Adam	Cochran	Tenaska Power Services	Independent Power Producer	TU
Jessica	Collins *	Xcel Energy	Investor-Owned	TO
Greg	DePratt	Empire District Elec. Co.	Investor-Owned	TO
James	Fife	Entergy Services	Investor-Owned	TU
Terry	Gates**	American Electric Power	Investor-Owned	TO
Randy	Gillespie	Kelson Energy	IPP/Marketer	TU
Donald	Hargrove	Oklahoma Gas & Elec. Co.	Investor-Owned	TO
Jim	Jacoby	American Electric Power	Investor-Owned	TO
Shane	Jenson	Omaha Public Power Dist.	State Agency	TO
Mitchel	Krysa	Kansas City Power & Light	Investor-Owned	TO
Mike	Lindberg	Board of Public Utilities of Kansas City	Municipals	TU
Jim	Medford	Westar Energy, Inc	Investor-Owned	TO
Mike	Oliver	Lincoln Electric System	Municipal	TU
Michael	Wise	Golden Spread Elec. Coop.	Cooperative	TU
Mark	Worf	Sunflower Electric Power Corp.	Cooperative	TO
Jenny	Erwin Anderson	Southwest Power Pool		

\* Chairman

## ECONOMIC STUDIES WORKING GROUP

First Name	Last Name	Company	Sector	TO/TU
Jason	Atwood	Dogwood Energy	Independent Power Producer	TU
Paul	Dietz	Westar Energy	Investor-owned	TO
Blake	Elliott	Board of Public Utilities	Municipal	TU
Kip	Fox**	AEP	Investor-owned	TO
Leon	Howell	OG&E	Investor-owned	TO
Doug	Kallesen	Nebraska Public Power District	State/Federal	TO
Sam	Loudenslager (Liaison)	APSC	State/Federal	
Mark	Loveless	Oklahoma Municipal Power Authority	Municipal	TU
Bruce	Merrill	Lincoln Electric	Municipal	TU
Alan	Myers *	ITC Great Plains	Independent Trans Companies	TO
Mike	Proctor (Liaison)	Consultant		
James	Sanderson (Liaison)	KCC	State/Federal	
Greg	Sweet	Empire District	Investor-owned	TO
Al	Tamimi	Arkansas Electric	Investor-owned	TU
Bruce	Walkup	Arkansas Electric	Investor-owned	TU
Charles	Cates	Southwest Power Pool		

\* Chairman

\*\* Vice Chairman

## Generation Working Group

First Name	Last Name	Company	Sector	TO/TU
Jessica	Collins	Xcel Energy	Investor-owned	TO
Jim	Fehr	NPPD	State/Federal	TO
Andrew	Lachowsky	AECC	Cooperative	TU
Blake	Mertens	EDE	Investor-owned	TO
Brock	Ondayko	AEP	Investor-owned	TO
Mike	Sheriff	OGE	Investor-owned	TO
Bryan	Taggart	Westar	Investor-owned	TO
Bill	Valagura	Calpine	IPP/Marketer	TU
Mitchell	Williams *	WFEC	Cooperative	TO
Scott	Jordan	SPP		

\* Chairman

## Model Development Working Group

First Name	Last Name	Company	Sector	TO/TU
Mo	Awad	Westar	Investor-owned	TO
Dustin	Betz	NPPD	State/Federal	TO
John	Boshears	City Utilities	Municipal	TU
Mike	Clifton	OGE	Investor-owned	TO
Joe	Fultz **	GRDA	State/owner	TO
Nathan	McNeil	Midwest Energy	Cooperative	TO
Rene	Miranda	Xcel Energy	Investor-owned	TO
Nate	Morris	Empire Electric	Investor-owned	TO
Scott	Rainbolt *	AEP	Investor-owned	TO
Scott	Schichtl	AECC	Cooperative	TU
Jason	Shook	GDS Assoc. (for NTEC)	Cooperative	TU
Brian	Wilson	KCPL	Investor-owned	TO
Anthony	Cook	SPP		

\* Chairman

\*\* Co-Chairman

## Market Working Group

First Name	Last Name	Company	Sector	TO/TU
Gene	Anderson	OMPA	Municipal	TU
Lee	Anderson	Lincoln Electric System	Minicipal	TU
Jessica	Collins	Xcel	Investor-owned	TO
Patricia	Denny	KCPL	Investor-owned	TO
Randy	Gillespie	Kelson Energy	IPP/Marketer	TU
Shah	Hossain	Westar	Investor-owned	TO
James	Liao	Western Farmers	Cooperative	TO
Rick	McCord	Empire	Investor-owned	TO
Aaron	Rome	Midwest Energy	Cooperative	TO
Richard	Ross *	AEP	Investor-owned	TO
Ann	Scott	Tenaska	IPP/Marketer	TU
Keith	Sugg **	AECC	Cooperative	TU
Darrell	Wilson	OG+E	Investor-owned	TO
Michael	Wise	Golden Spread	Cooperative	TU
Rick	Yankovich	OPPD	State/Fed	TO
Deborah	James	SPP		

\* Chairman

\*\* Vice Chairman

## Operating Reliability Working Group

First Name	Last Name	Company	Sector	TO/TU
Jason	Atwood	Kelson Energy	IPP	TU
Anthony	Due	Empire District	Investor-owned	TO
Wayne	Galli	Plains and Western Clean Line	Independent Transmission Co	TU
Allan	George	Sunflower Electric	Cooperative	TO
Walter	Gosnell	OPPD	State Agency	TO
Ron	Gunderson	NPPD	State Agency	TO
Donald	Hargrove	OG+E	Investor-owned	TO
Steve	Haun	Lincoln Electric System	Municipal	TU
Allen	Klassen **	Westar	Investor-owned	TO
Paul	Lampe	City of Independence, MO	Municipal	TU
Danny	McDaniel	CLECO	Investor-owned	TU
Kyle	McMenamin	Xcel	Investor-owned	TO
David	Pritchard	American Electric Power	Investor-owned	TO
John	Stephens	City Utilities of Springfield	Municipal	TU
Jim	Useldinger *	KCPL	Investor-owned	TO
Michael	Wech	Southwestern Power Administration		
Jason	Smith	SPP		

\* Chairman

\*\* Vice Chairman



## Operations Training Working Group

First Name	Last Name	Company	Sector	TO/TU
Richard	Appel **	Sunflower Electric Power	Cooperative	TO
Shannon	Bolan *	NPPD	State Agency	TO
Mike	Crouch	Oklahoma Gas and Electric Co.	Investor-Owned	TO
Mark	Eastwood	City Utilities of Springfield	Municipal	TU
Carla	Fitzpatrick	OPPD	State Agency	TO
Robert	Hirchak	Cleco	Investor-Owned	TU
Mike	Hood	Arkansas Electric Cooperative Corp	Cooperative	TU
Rod	Lewis	Kansas City Power & Light	Investor-Owned	TO
Misty	Revenew	Westar Electric	Investor-Owned	TO
Edgar	Rivera	LUS	Municipal	TU
Stanley	Winbush	American Electric Power	Investor-Owned	TO
Jim	Gunnell	SPP		

\* Chairman

\*\* Vice Chairman

## Regional Tariff Working Group

First Name	Last Name	Company	Sector	TO/TU
Robert	Bowser	Kansas Electric Power Co-op	Cooperative	TU
Carrie	Cooper	East Texas Electric Coop	Cooperative	TU
Bill	Dowling	Midwest Energy, Inc.	Cooperative	TO
Ronald	Gary	Lafayette Utilities System	Municipal	TU
Thomas	Hestermann	Sunflower Electric	Cooperative	TO
Robert	Janssen	Dogwood Energy, LLC	Independent Power Producer	TU
David	Kays	Oklahoma Gas & Electric	Investor-Owned	TO
Lloyd	Kolb	Golden Spread Electric	Cooperative	TU
Rich	Kosch	Lincoln Electric System	Municipal	TU
Brett	Leopold	ITC Great Plains	Independent Transmission Co.	TO
Thomas	Littleron	Oklahoma Municipal Power Authority	Municipal	TU
Bernard	Liu	Xcel Energy	Investor-Owned	TO
Charles	Locke **	Kansas City Power & Light	Investor-Owned	TO
Paul	Malone	Nebraska Public Power District	State Agency	TO
Robert	Pennybaker	American Electric Power	Investor-Owned	TO
Eddy	Reece	Rayburn Country Electric	Cooperative	TU
Dennis	Reed *	Westar Energy	Investor-Owned	TO
Robert	Shields	Arkansas Electric Co-op	Cooperative	TO
Bary	Warren	The Empire District Electric	Investor-Owned	TO
Mitchell	Williams	Western Farmers Electric Co-op	Cooperative	TO
Heather	Starnes	Southwest Power Pool	SPP	
Katy	Onnen	Southwest Power Pool	SPP	

\* Chairman

\*\* Vice Chairman

## System Protection and Control Working Group

First Name	Last Name	Company	Sector	TO/TU
Bud	Averill	AEP	Investor-owned	TO
Brent	Carr	Arkansas Electric Cooperative Corp	Cooperative	TU
Louis	Guidry	Cleco	Investor-owned	TU
Rick	Gurley	Public Service Co.	Investor-owned	TO
Tim	Hinken	KCPL	Investor-owned	TO
Shawn	Jacobs *	OGE	Investor-owned	TO
Ron	Mclvor	OPPD	State/Federal	TO
Heidt	Melson *	Xcel energy	Investor-owned	TO
Lynn	Schroeder	Westar	Investor-owned	TO
Matt	Thykkuttathil	Sunflower Electric	Cooperative	TO
Steve	Wadas	NPPD	State/Federal	TO
Ken	Zellefrow	City Utilities of Springfield	Municipal	TU
Jason	Speer	SPP		

\* Chairman

\*\* Vice Chairman

## Seams Steering Committee

First Name	Last Name	Company	Sector	TO/TU
Jason	Atwood	Dogwood Energy	IPP	TU
Oliver	Burke	Entergy Services	Investor-owned	TU
Jeff	Knottek	City Utilities of Springfield, MO	Municipal	TU
Jacob	Langthorn, IV	OG&E	Investor-owned	TO
Paul	Malone*	Nebraska Public Power District	State Agency	TO
Richard	Ross	American Electric Power	Investor-owned	TO
Christopher	Standifer	Kansas City Power & Light	Investor-owned	TO
Brian	Thumm	ITC Holdings/Great Plains	IPP	TU
Bary	Warren**	Empire District Electric	Investor-owned	TO
Dowell	Hudson	SPP		

\* Chairman

\*\* Vice Chairman

## Transmission Working Group

First Name	Last Name	Company	Sector	TO/TU
Jason	Atwood	Dogwood	IPP/Marketer	TU
John	Chamberlin	City Utilities of Springfield	Municipal	TU
Angela	Easton	Calpine Energy	Independent Power Producer	TU
Jason	Fortik	LES	Municipal	TU
Ronnie	Frizzell	AECC	Cooperative	TU
John	Fulton	Xcel	Investor-owned	TO
Joe	Fultz	GRDA	State/owner	TO
Travis	Hyde**	OGE	Investor-owned	TO
Dan	Lenihan	OPPD	State/Federal	TO
Randy	Lindstrom	NPPD	State/Federal	TO
Jim	McAvoy	OMPA	Municipal	TU
Sam	McGarrah	EDE	Investor-owned	TO
Matt	McGee	AEP	Investor-owned	TO
Nathan	McNeil	Midwest Energy	Cooperative	TO
John	Payne	KEPCo	Cooperative	TU
Jason	Shook	GDS for ETEC	Cooperative	TU
Don	Taylor	Westar	Investor-owned	TO
Mitchell	Williams	WFEC	Cooperative	TO
Noman	Williams *	Sunflower	Cooperative	TO
Harold	Wyble	KCPL	Investor-owned	TO
Tony	Gott (Liaison)	Associated Electric	n/a	
David	Sargent (Liaison)	SPA	n/a	
Paul	Simoneaux Jr. (Liaison)	Entergy Services	n/a	
Rachel	Hulett	SPP		

\* Chairman

\*\* Vice Chairman

**SPP Organizational Group Self-Evaluation/Assessment**  
(August 2009 – July 2010)

**GROUP NAME:** Corporate Governance Committee

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

**MEMBER ROSTER/ATTENDANCE:**

Member	Company	Sector	# Present	# Absent
Brown, Nick	Chairman	SPP	5	0
Easley, Kevin	Grand River Dam Authority	State Agencies	2	3
Eckelberger, Jim	Director	N/A	5	0
Holman, Cindy	Oklahoma Municipal Power Authority	Municipals	5	0
Janssen, Rob	Dogwood	Independent Power Producer	5	0
Parr, Steve	Kansas Electric Power Cooperative	Cooperatives	5	0
Perkins, Mel	OG&E Electric Services	Investor-Owned	5	0
Stacy Duckett	Staff Secretary	SPP	5	0

\*Only on Committee for part of the assessment period.

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

Trans/Owners	Trans/Users	Director
2	3	1

Sectors							
IOU	Coop	Muni	State/Fed	IPP/Marketer	Alt Power/Public Interest	Lg Retail	Sm Retail
1	1	1	1	1			

**AVERAGE OVERALL ATTENDANCE (INCLUDING NON-GROUP MEMBERS): 15**

**MEETINGS HELD TO DATE: Live: 3 Teleconference: 2**

**AVERAGE LENGTH OF MEETINGS: 1:45**

**NUMBER OF VOTES TAKEN: 17**

**\*MEETING COST(S): \$13,533.14**

**MAJOR ACCOMPLISHMENTS/ISSUES ADDRESSED BY THE GROUP:**

- 1. Annual elections**
- 2. Bylaws revisions for Order 719 compliance**
- 3. Initiated review of Withdrawal process and obligations**

MAJOR PENDING ISSUES BEFORE THE GROUP:

- 1. Withdrawal Obligations for transmission expansion costs**
- 2. Voting process review**
- 3. Annual elections**

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



**Southwest Power Pool, Inc.**  
**CORPORATE GOVERNANCE COMMITTEE**  
**Organizational Group Scope Statement**  
**September 2009**

**Purpose**

The Corporate Governance Committee (CGC) is responsible for filling and recommending individuals to fill vacancies on the Board of Directors and other organizational groups while monitoring and developing criteria governing the overall composition.

**Scope of Activities**

1. Seek input from the Board of Directors, the Members Committee, or the Regional Entity Trustees as to the skills needed to fill any vacancy under consideration;
2. In the event of a vacancy or the replacement of an existing director, provide candidates identified by an independent executive search firm for consideration to the Members for election to the Board of Directors;
3. In the event of a vacancy or the replacement of an existing Trustee, provide candidates for consideration to the Members for election to the Regional Entity Trustees;
4. Monitor the composition of the Board of Directors to ensure balance, independence, maintenance of qualifications under any applicable laws, avoidance of conflict of interest, and periodic review of the criteria for independence set out in the Bylaws and appropriate regulatory bodies, recommending changes, as appropriate;
5. Recommend to the Board of Directors the appointment of Organizational Group representatives and leadership except for the Corporate Governance Committee, the Members Committee, whose representatives are elected by the Members, and the Market and Operations Policy Committee, whose representatives are appointed by the Members;
6. Develop criteria governing the overall composition of the Board of Directors for recommendation to the Board of Directors;
7. Develop criteria governing the overall composition of the Regional Entity Trustees for recommendation to the Regional Entity Trustees;
8. Coordinate an annual review and assessment of the effectiveness of the Board of Directors, its structure, and process;
9. Coordinate an annual review and assessment of the effectiveness of the Regional Entity Trustees, its structure, and process;





10. Recommend compensation levels for Board of Directors and Regional Entity Trustees to the Membership.
11. Develop recommendations for the Board of Directors regarding a director succession policy;
12. Complete a self-assessment annually to determine how effectively the CGC is meeting its responsibilities; and
13. Perform such other functions as the Board of Directors may delegate or direct.

### **Representation**

To the extent that the membership allows, the Corporate Governance Committee (CGC) shall be comprised of eight members. One representative shall be the President of SPP who will serve as the Chair; the Chairman of the Board, unless his/her position is under consideration, in which case the Vice Chairman of the Board; one representative shall be representative of and selected by investor owned utilities Members; one representative shall be representative of and selected by co-operatives Members; one representative shall be representative of and selected by municipals Members; one representative shall be representative of and selected by independent power producers/marketers Members; one representative shall be representative of and selected by state/federal power agencies Members; and one representative shall be representative of and selected by retail/alternative power/public interest Members.

### **Reporting**

The Corporate Governance Committee reports to the Board of Directors.