

**Southwest Power Pool
SETTLEMENT USER GROUP
Minutes
Conference Call
December 16, 2010**

Call to Order

Bill Olson called the meeting to order of the Settlement User Group (SUG) at 02:30pm on December 16, 2010, and welcomed everyone to the meeting. Attending the meeting were Bill Olson(Xcel), Philip Bruich(SPP), Ken Donald(Utilicast), Tony Alexander(SPP), Josh Davis(SPP), Kim Farris(SPP), John Luallen(SPP), Athur Sabb(SPP), Shane Hill(SPP), Wayne Camp(Accenture), Sean Liechty(AcesPowerMkt), Danielle Strain(AECI), Barbara Holloway(AECC), Susan DeMoen(AEP), Chris Werner(AEP), Doug Clark(AEP), Karen Anguyen(CALP), Stacy Martin(CALP), Rhonda Robinson(CALP), Jamie Wheeler(GRDA), Ty McKinney(GSEC), Jill Coffey(KCPL), Steve Haun(LES), Tom Sobotka(NPPD), Will Amos(OGE), Deepa(PCI), Sandy Skipton(SECI), Ron Chartier(SECI), Stephen Espey(TEA), James Ortuno(TNSK), MaryJo Montoya(Xcel), Kathy Shuerger(Xcel), Gail Eichelmann(Xcel)

Minutes Approval

Minutes were reviewed and approved for the November 18, 2010 meeting.

Dispute Metrics– Shane Hill (SPP) presented a monthly summary of dispute activity for the EIS market for the month of October. The report was enhanced from previous versions to provide additional breakdown by charge type and year-to-date information. Future reports will also include rolling 12 month activity and comparison to same months from previous year.

Integrated Marketplace Credit Policy- Ken Donald(Utilicast) delivered a presentation indicating similarities and differences between the existing SPP EIS market and the Integrated Marketplace. The similarity is the 3 credit exposure components remaining the same including amounts invoiced not paid, amounts settled but not invoiced and an estimated future window of activity. The differences include the 10 fold increase in the number of charge types, settlement at 5 minute granularity, virtual bidding, market based pricing, hedging instruments extending into the future and the complimentary nature of certain charge types such as congestion charges and TCR credits. A joint sub-group of Credit Practices Working Group and SUG representatives will hold an initial conference call on January 7 to begin discussing credit impacts to settlements.

EQR Transactions - Ken Donald and Bill Olson discussed an MWG action item to examine the SPP approach for providing transactional data to market participants for EQR reporting to FERC. Bill and Ken will continue to develop a business practices document based upon EQR reporting /charge type mapping examples utilized in other RTO markets.

MWG Update - Ken Donald provided an MWG update for new ARR/TCR requirements that will result in additional charge types. The MWG is also exploring additional charge types for allocation of Regulation cost to resources not following dispatch. There is also ongoing review of the Make Whole Payment cost allocation for 8 types of deviation. Although these types are well defined in the SPP protocols, it was noted that MISO and its MPs are still experiencing these types of resettlement from the start of the market in 2005 due to a vague set of rules.

Operating Reserve Cost Allocation-Interactive Exercise – John Luallen(SPP) and Ken Donald demonstrated an interactive exercise using the mid-term exam and training examples related to Operating Reserve Cost Allocation.

Charge Type Training –The remaining training will be delivered in 2011. More ARR/TCR charges types will be covered in the January SUG teleconference. The more complex Make Whole Payment examples for DA, RTBM and the related cost allocation will be covered in the February 16 face-to-face training in Dallas. 16 assorted charge types of smaller complexity and similarity will be covered in third quarter. Over-collected loss rebates will be covered in the fourth quarter, including two very complex charge types.

Future SUG Meetings

Next SUG teleconference:

Teleconference/Webconference Wednesday, January 12, 2011 1:00pm – 3:00pm
Central

Please register online at the SPP corporate website.

There will be a face-to-face one day Marketplace training session in Dallas at the DFW-Hyatt on Wednesday, February 16, 2011. There will be no teleconference or webconference for this event.

Adjourn Meeting

With no further business, Bill thanked everyone for participating and adjourned the call at 4:35pm.

Respectfully submitted,

Philip Bruich
Secretary