

Southwest Power Pool
BOARD OF DIRECTORS TELECONFERENCE MEETING
September 22, 2003
2:00 p.m. CDT

- Summary of Action Items -

1. Approved minutes of the August 26, 2003 meeting with one correction.
2. Approved the recommended rosters for the Market Working Group and the Business Practices Working Group.
3. Approved an assessment and tariff Schedule 1 rate of \$0.15/MWh effective October 1, 2003.
4. Approved modifications to the implementation plan for the energy imbalance market.
5. Approved the continuation of "special conditions" for Southwestern Power Administration (SWPA) through October 31, 2004 to the extent that SWPA maintains its membership in SPP.

**Southwest Power Pool
BOARD OF DIRECTORS TELECONFERENCE MEETING
September 22, 2003
2:00 p.m. CDT**

Agenda Item 1 - Administrative Items

SPP Chair Mr. Al Strecker called the teleconference meeting to order at 2:04 p.m., thanked everyone present for attending and referred to the agenda (Agenda – Attachment 1). A quorum was declared with the following Board members in attendance or represented by proxy (Proxy - Attachment 2):

Mr. David Christiano, City Utilities of Springfield, MO,
Mr. Harry Dawson, Oklahoma Municipal Power Authority
Mr. Michael Desselle proxy for Mr. Mr. Richard Verret, American Electric Power,
Mr. Michael Deihl, Southwestern Power Admin.,
Mr. Dick Dixon, Westar Energy,
Mr. Jim Eckelberger, independent director
Ms. Trudy Harper, Tenaska Power Services Company,
Mr. Mike Gildea, Duke Energy
Mr. Stephen Parr, Kansas Electric Power Coop.,
Mr. John Marschewski, Southwest Power Pool,
Mr. Gary Roulet, Western Farmers Electric Cooperative,
Mr. Harry Skilton, independent director,
Mr. Richard Spring, Kansas City Power & Light,
Mr. Al Strecker, OG+E,
Mr. Larry Sur, independent director
Mr. Gary Voigt, Arkansas Electric Cooperative Corp.,
Mr. Walt Yeager, Cinergy Services

SPP Staff included Nick Brown, Carl Monroe, Tom Dunn and Stacy Duckett. Guests participating included Ricky Bittle (AECC), Mel Perkins (OG+E), Carl Huslig (Aquila), Bary Warren, Mike Palmer and Rick McCord (EDE), Tom Stuchlick (Westar), Randy Bynum, Richard House and Sam Loudenslager (APSC), Larry Holloway and Cynthia Claus (KCC), and Linda Guthrie and Kelli Leaf (OCC).

Mr. Strecker referred to draft minutes of the August 26, 2003 Meeting (6/26/03 Meeting Minutes - Attachment 3) and asked for necessary corrections or a motion for approval. Mr. Quentin Jackson attended the August 26, 2003 Board of Directors meeting, but was omitted from the minutes. Mr. Dawson moved that the minutes be approved as modified. Mr. Skilton seconded this motion, which passed unopposed.

Agenda Item 2 – Market Working Group and Business Practices Working Group Report

Mr. Monroe was asked to give the Market Working Group and Business Practices working Group report requesting the approval of the rosters for each Group as presented (Market Working Group and Business Practices Working Group Recommendation – Attachment 4). These groups are considered critical to initiatives of SPP. After discussion and minor changes, Mr. Spring moved that the report be accepted as presented. Mr. Eckelberger seconded this motion, which passed unopposed.

Agenda Item 3 – Finance Committee Report

Mr. Skilton presented the Finance Committee report concerning assessment and Tariff Schedule 1 rates (Finance Committee Recommendation – Attachment 5). It was recommended that the SPP Board of Directors establish an assessment and tariff Schedule 1 rate of \$0.15/MWh effective October 1, 2003. SPP will hold any revenue collected in excess of budgeted costs to fund, at the direction of the Finance Working Group, repayment of prior member overpayments resulting from shortfalls in administrative fee revenue under the regional tariff and/or repayment of the \$5 million required principal payment due March 2004. During discussion it was decided to replace “at the direction of the Finance Working Group” with

SPP Board of Directors Teleconference Minutes
September 22, 2003

“subject to approval of the Board of Directors”. Mr. Skilton moved to approve this recommendation as modified. Mr. Spring seconded the motion, which passed unopposed.

Agenda Item 4 – Strategic Planning Committee Reports

Mr. Spring presented recommendations from the Strategic Planning Committee (SPC) (MWG Recommendation– Attachment 6 and SWPA Recommendation– Attachment 7).

Mr. Spring submitted the SPC recommendation from the Market Working Group (MWG) requesting approval of a slight modification to the implementation plan for the energy imbalance market. Mr. Spring moved to approve this recommendation. Mr. Marschewski seconded the motion, which passed unopposed.

Mr. Spring then submitted the SPC recommendation regarding SWPA’s continued participation in SPP. It was determined that the transition of SPP into a FERC recognized regional entity is causing the Southwestern Power Administration (SWPA) to meet certain federal requirements prior to continuing their participation in SPP; therefore, the following recommendation was approved by the SPC and submitted for Board approval:

“To the extent that Southwestern Power Administration (SWPA) maintains its membership in SPP (including its present "special conditions") through October 31, 2004, SPP staff supports and recommends to the SPP Board Of Directors an additional "special condition" to Exhibit 1 of SWPA's new Membership Agreement to continue the provisions of current SPP services including reliability coordination, OASIS administration, tariff administration, security coordination, scheduling and automated reserve sharing, while allowing SWPA to delay participation in SPP's markets. SPP will waive any additional exit cost responsibilities related to these markets through October 31, 2004. If SWPA chooses between October 31, 2003 and October 31, 2004 to participate in the market, the waiver of the additional exit cost responsibilities associated with the market will terminate.”

Mr. Spring moved to approve the SWPA recommendation. Mr. Dixon seconded the motion, which passed unopposed.

It was recommended to address the subject of continuation of efforts with states at the next Board of Directors meeting.

Adjournment

The Board of Directors agreed to a teleconference meeting on Wednesday, October 1, 2003, at 1:00 p.m. CDT. Mr. Strecker thanked everyone for their participation and adjourned the teleconference at 3:00 p.m.

Nicholas A. Brown, Corporate Secretary

**Southwest Power Pool
BOARD OF DIRECTORS TELECONFERENCE
Monday, September 22, 2003
2:00 p.m. CDT
Dial In: 773-756-4625 Passcode: 59112**

- A G E N D A -

2:00 p.m. - Teleconference

1. Administrative ItemsMr. Al Strecker
2. Market Working Group Report.....Mr. Carl Monroe
3. Finance Committee Report.....Mr. Harry Skilton
4. Strategic Planning Committee Reports.....Mr. Richard Spring
5. Adjournment

Cheryl Robertson

Subject: FW: SPP BOARD CONFERENCE CALL 9/22/03

-----Original Message-----

From: rpverret@aep.com [mailto:rpverret@aep.com]

Sent: Tuesday, September 16, 2003 10:40 AM

To: Nick Brown

Subject: SPP BOARD CONFERENCE CALL

Nick, I will be unable to attend the conference call scheduled for next week but Michael Desselle will attend in my place and will carry my proxy.

Thanks...

**Southwest Power Pool
BOARD OF DIRECTORS MEETING
Embassy Suites – Kansas City Airport – Kansas City, MO
August 26, 2003**

- Summary of Action Items -

1. Approved minutes of the June 24, 2003 meeting as distributed.
2. Approved the four SPC Recommendations (including the proposed changes below) except section 5.2 of the SPP Bylaws (and any additional related sections for Bylaws and Membership Agreement needed for State jurisdictional issues) and not file until these issues are resolved or 9/30/03 whichever is earlier.
 - Section 3.13.2 Bylaws from “6” to “7” persons.
 - Section 4.2.2 b Membership Agreement change “paid” to “incurred”
 - SPP Board directs the SPC to work with the states and FERC to resolve section 5.2 of the Bylaws and related proposed additional sections.

 - Recommendation 1: Approve the attached modifications to the SPP Bylaws and Membership Agreement (including the attachment providing a form of an agreement for independent transmission company participation) for filing with FERC in an application for recognition as a regional transmission organization. The documents are to become effective on the first day of the calendar month occurring between the 30th day and 60th day following a final FERC order recognizing SPP as a regional transmission organization.

 - Recommendation 2: Authorize the Staff to file an application with FERC as soon as practicable seeking SPP recognition as a regional transmission organization pursuant to FERC Order 2000, and to make necessary corrections and formatting changes to the governing documents subject to review of the SPC.

 - Recommendation 3: Approve a transition to the new governance structure by which SPP’s non-stakeholder Directors become the Board of Directors and the stakeholder Directors become the Members Committee, all carrying forward their current terms.

 - Recommendation 4: Accept the attached form of a seams agreement for inclusion in the FERC filing, and authorize the SPP Staff to immediately begin negotiations with neighboring entities on specific agreements pursuant to this form.

**Southwest Power Pool
BOARD OF DIRECTORS MEETING
Embassy Suites – Kansas City Airport – Kansas City, MO
August 26, 2003**

TUESDAY

Agenda Item 1 - Administrative Items

SPP Chair Mr. Al Strecker called the regular meeting to order at 10:02 a.m., thanked everyone present for attending and referred to the agenda (Agenda – Attachment 1). Mr. Strecker stated that Agenda Items 3 and 5 would be combined and reports given later in the meeting. Mr. Strecker then called for a round of introductions. The following Board members were in attendance or represented by proxy:

Mr. Gene Argo, Midwest Energy,
Mr. Gary Voigt, Arkansas Electric Cooperative Corp.,
Mr. David Christiano, City Utilities of Springfield, MO,
Mr. Harry Dawson, Oklahoma Municipal Power Authority
Mr. Michael Desselle, proxy for Richard Verret, American Electric Power,
Mr. Michael Deihl, Southwestern Power Admin.,
Mr. Dick Dixon, Westar Energy,
Mr. Jim Eckelberger, independent director,
Ms. Trudy Harper, Tenaska Power Services Company,
Mr. Stephen Parr, Kansas Electric Power Coop.,
Mr. John Marschewski, Southwest Power Pool,
Mr. Tom McDaniel, independent director, via teleconference
Mr. Gary Roulet, Western Farmers Electric Cooperative,
Mr. Harry Skilton, independent director,
Mr. Richard Spring, Kansas City Power & Light,
Mr. Al Strecker, OG+E,
Mr. Larry Sur, independent director, via teleconference

There were 54 persons in attendance representing 22 members (Attendance List - Attachment 2). One proxy statement was received by the Secretary (Proxy - Attachment 3).

Mr. Strecker referred to draft minutes of the June 24, 2003 Meeting (6/24/03 Meeting Minutes - Attachment 4) and asked for necessary corrections or a motion for approval. Mr. Dawson motioned that the minutes be approved as distributed. Mr. Skilton seconded this motion, which passed unopposed.

Agenda Item 2 – Nominating Task Force Report

Mr. Strecker asked Mr. Christiano to give the Nominating Task Force Report. Mr. Christiano referred to the Nominating Task Force Report (Nominating Task Force Report – Attachment 5). Mr. Christiano stated that the departure of J. M. Shafer, Western Farmers, left a vacant transmission owner seat on the Board of Directors as well as a vacant vice chair position. Mr. Christiano stated that the Nominating Task Force and Chair of the Board of Directors are responsible for submitting a nomination and as such nominates to the Board of Directors Gary Roulet to fill the vacant transmission owner seat on an interim basis until the next meeting of members, and Jim Eckelberger for vice chair. Hearing no other nominations, the Board of Directors elected Gary Roulet to serve on the Board of Directors on an interim basis and elected Jim Eckelberger as vice chair of the Board of Directors.

Agenda Item 3 – Strategic Planning Committee Report

Mr. Strecker then asked Mr. Spring to present the Strategic Planning Committee (SPC) Report. Mr. Spring referred to the SPC Report and Recommendations to the Board of Directors (SPC Report & Recommendations– Attachment 6), gave a brief background and updated the Board of Directors on the work of the SPC resulting in this report and recommendations along with the supporting draft documents (SPC Slides – Attachment 7). Mr. Spring then presented the SPC recommendations to the Board of Directors as follows:

- Recommendation 1: Approve the attached modifications to the SPP Bylaws and Membership Agreement (including the attachment providing a form of an agreement for independent transmission company participation) for filing with FERC in an application for recognition as a regional transmission organization. The documents are to become effective on the first day of the calendar month occurring between the 30th day and 60th day following a final FERC order recognizing SPP as a regional transmission organization.
- Recommendation 2: Authorize the Staff to file an application with FERC as soon as practicable seeking SPP recognition as a regional transmission organization pursuant to FERC Order 2000, and to make necessary corrections and formatting changes to the governing documents subject to review of the SPC.
- Recommendation 3: Approve a transition to the new governance structure by which SPP's non-stakeholder Directors become the Board of Directors and the stakeholder Directors become the Members Committee, all carrying forward their current terms.
- Recommendation 4: Accept the attached form of a seams agreement for inclusion in the FERC filing, and authorize the SPP Staff to immediately begin negotiations with neighboring entities on specific agreements pursuant to this form.

After the recommendations were presented, Mr. Eckelberger referred to the Bylaws Section 3.13.2 and suggested a change from "6" to "7" persons. He then referred to the Membership Agreement Section 4.2.2 (b) and suggested changing the word "paid" to "incurred".

Chairman Hochstetter of the Arkansas Public Service Commission proposed that the Regional State Committee (RSC) Section 5.0 of the Bylaws be held pending further language being submitted by the states.

Following additional discussion, Mr. Dixon motioned that the Board of Directors approve the four Recommendations (including the proposed changes below) of the SPC except section 5.2 of the SPP Bylaws (and any additional related sections for Bylaws and Membership Agreement needed for State jurisdictional issues) and not file until these issues are resolved or 9/30/03 whichever is earlier.

- Section 3.13.2 Bylaws from "6" to "7" persons.
- Section 4.2.2 b Membership Agreement change "paid" to "incurred"
- SPP Board directs the SPC to work with the states and FERC to resolve section 5.2 of the Bylaws and related proposed additional sections.

Mr. Christiano seconded this motion which passed with one vote in opposition (Mr. Dawson).

Agenda Item 4 – Operations Report

Mr. Strecker then asked Mr. Monroe to give the Operations Report. Mr. Monroe presented slides reviewing the 2003 Operational Highlights as well as slides documenting the events of August 14, 2003 (Operations Report – Attachment 8).

Agenda Item 3 & 5 – Finance Working Group Report and Tariff Fee Recommendation

Mr. Strecker then asked Mr. Skilton and Mr. Dunn to give the Finance Working Group Report (Tables – Attachment 9). Mr. Dunn referred to the Staff report and recommendation on Assessment and Tariff Schedule 1 Rates (Staff Report – Attachment 10). After some discussion, it was determined that no vote would be taken on the recommendation at this time.

SPP Board of Directors Minutes
August 26, 2003

Adjournment

The Board of Directors will meet via teleconference on September 22, 2003 at 2:00 p.m. CDT to discuss the Tariff Fee Recommendation from the Finance Working Group and the RSC proposed language for the Bylaws.

The Board of Directors agreed to a meeting on Tuesday, October 28 (1:00 p.m. – 5:00 p.m.) and the Annual Meeting of Members on October 29, 2003 (8:00 a.m. – noon) in Little Rock, AR.

Mr. Strecker thanked everyone for their participation and at 1:10 p.m. excused all non-board members from the room in order for the Board of Directors to continue in Executive Session.

Nicholas A. Brown, Corporate Secretary

**Southwest Power Pool
Market Working Group and Business Practices Working Group
Report to the Board of Directors**

September 22, 2003

Background

On June 24, 2003, the Strategic Planning Task Force Secondary Report was presented and accepted by the Board of Directors, containing a recommendation that new SPP organizational groups be formed including the Market Working Group and the Business Practices Working Group. These groups are critical to some of the other initiatives of SPP. Pursuant to SPP Bylaws section 3.1 the Board of Directors appoints member representatives based on the scope of the group and the personnel's expertise and qualifications. SPP Staff requested nominations for these two working groups and the following are the recommended members. Also, in section 3.3.1, the Board of Directors is to appoint to these working groups. Included are recommendations for the leadership of each group.

Proposed Rosters

Market Working Group

Richard Ross (AEP) is nominated as Chair
Keith Sugg (AECC) is nominated as Vice Chair

Transmission Owners

Wes Berger	Xcel Energy/SPS
Burton Crawford	KCPL
Stan Mason	SWPA
Doug Base	WFEC
Bill Wylie	OGE
Richard Ross	AEP
Tom Stuchlik	Westar Energy

Transmission Users

James Stanton	Calpine Corp
David Toole	Cargill Power Markets
Tambra Offield	East Texas Electric Coop
Tom Saitta	Aquila
Gene Anderson	OMPA
John Stephens	City of Springfield
Keith Sugg	AECC

Business Practices Working Group

Mike McGeeney (KCPL) is nominated as Chair
Mark Foreman (Tenaska) is nominated as Vice Chair

Mark Foreman	Tenaska
David Toole	Cargill
Wilma Chen	Coral
Howard Taylor	Calpine
Grant Wilkerson	WR
Darrell Anthony	OKGE
Mike McGeeney	KCPL
Sam Ellis	EDE

Alternate: Tracey Hannon SPA

4 people represent merchant group or power supply affiliates of SPP TOs as required by the charter.

Recommendation

Approve the Market Working Group and Business Practices Working Group and Staff recommend that the Board of Directors approve the rosters as presented.

Action Requested Approve Recommendation

**Southwest Power Pool
Staff Recommendation
To the Board of Directors
September 22,2003**

Assessment and Tariff Schedule 1 Rates

Background

The Board of Directors approved modifications to the SPP assessment methodology at its June 23, 2003 meeting. These modifications, scheduled for implementation beginning October 1, 2003, are intended to distribute SPP's administrative costs among the membership in a fashion consistent with the manner costs would be allocated if all eligible load serving entities within SPP served their load via Network Integration Transmission Service under the SPP regional tariff.

Analysis

SPP's net administrative budget for the fourth quarter of 2003 totals \$6,494,025. Fourth quarter billing determinants utilizing average 2002 12-month coincident peaks and estimated point-to-point service totals 62,254,978MWh. Dividing budgeted expenditures by billing determinants yields a rate of \$0.1043/MWh. Preliminary 2004 SPP budget information indicates a 2004 rate of approximately \$0.15/MWh. SPP anticipates several near term outflows of cash to fund development work on imbalance energy markets to meet established timelines as well as a required \$5 million principal payment on SPP's long-term debt.

Recommendation

The Finance Working Group recommends the SPP Board of Directors establish an assessment and tariff schedule 1 rate of \$0.15/MWh effective October 1, 2003. SPP will hold any revenue collected in excess of budgeted costs to fund, at the direction of the Finance Working Group, repayment of prior member overpayments resulting from shortfalls in administrative fee revenue under the regional tariff and/or repayment of the \$5 million required principal payment due March 2004.

Approved:

Action Requested: Approve Recommendation

**Southwest Power Pool
Strategic Planning Committee
Report to the Board of Directors**

Market Working Group Recommendation

September 22, 2003

Background

The Market Working Group approved a slight modification to the implementation plan for the energy imbalance market and recommended SPC approval of this modification (MWG Letter – Attachment 1). This implementation plan was included in the Secondary Strategic Plan Report that was approved by the Board of Directors and as such, this modification also requires SPC and Board of Director approval.

Recommendation

Approve the modification to the implementation plan for the energy imbalance market as shown in Attachment 1 to this report.

Approved: Markets Working Group

July , 2003

Approved: Strategic Planning Committee

August 14, 2003

Action Requested: Approve Recommendation

Nick Brown

From: Ross, Richard
Sent: Thursday, August 07, 2003 1:20 PM
To: Spring, Richard
Cc: Richard Dillon; Nick Brown; Desselle, Michael; Carl Monroe
Subject: MWG Changes to Implementation Plan

Richard,

As acting chair of the Market Working Group (MWG), I need to notify you and the SPC of changes the MWG has made (or recommends be made) to the Order 2000 Implementation Plan that approved by the SPTF (now SPC) and subsequently the SPP Board. As a reference, I have attached a redlined copy of the June 24th SPC Plan so that you can more easily see on page 2 where this change impacts that document. The revision is to the definition of Increment 1 of Phase 1 and is reflected in the statement below:

Increment 1 of Phase 1 will be to establish infrastructure and processes that allows for a non-binding settlement of Energy Imbalance using proxy rates with an objective of February 2004.

As was the case with the MWG, some SPC members may view this as a minor change, others may consider it a significant change. I am asking that the SPC determine how this change needs to be reflected in the upcoming FERC filing and whether or not it needs to receive further review by the SPP Board. However, to provide further explain concerning the reason for the change, Increment 1 of Phase 1 was originally intended to result in the SPP preparing actual settlement invoices for all of the Schedule 4 imbalances for each SPP TO's OATT.

Further investigation by the SPP staff determined that very little of the imbalance is being billed out under Schedule 4 of the OATT's.

Trying to implement such a billing for such a small portion of the total imbalance will not achieve the benefits intended by Increment 1. Furthermore, to suddenly impose such billing on all imbalance, if it were even possible from a contractual standpoint, would represent a significant departure from the imbalance billing being done by the TOs today. Such a departure was not consistent with the intent of Phase 1 Increment 1 and, therefore, the MWG has modified this portion of the plan. Under this revised approach the SPP will prepare simulated (non-binding) invoices for all imbalance in the region. Such a simulated invoice would be consistent with the anticipated situation at the end of Phase 1 where all imbalance is being settled by the SPP under rates determined by the SPP administered imbalance markets.

8/13/2003

The Strategic Plan

ACTIVE STATE INVOLVEMENT

Initial Recommendation: *SPP should work very closely with its states on the components of the Strategic Plan in continuing SPP's evolutionary approach to the provision of services to its members and customers.*

Representatives from the SPP state regulatory bodies are meeting weekly via teleconference to discuss issues. State representatives have also taken an active role in working group meetings. SPP Staff has had one-on-one dialog with the Arkansas, Kansas, Louisiana, Missouri, and Oklahoma Commissions; others are being scheduled. SPTF representative and SPP staff hosted a conference on June 6 in Atlanta that included representatives from the state commissions as well as FERC Chair Pat Wood and Commissioner Massey. On June 23, SPP is hosting an Imbalance and Congestion Workshop in Kansas City for State Commissioners and their staffs. SPTF representatives and Staff are working through a collaborative process to propose modifications to SPP's Bylaws to enhance regulatory agency involvement by providing a forum for collective input into SPP's decision-making processes at all levels of the organization while retaining existing rights of each jurisdiction to be individually represented.

ORDER 2000 COMPLIANCE

Initial Recommendation: *SPP should evaluate with the states options for and a phased implementation of a real-time balancing market, market monitoring, and market-based congestion management.*

These actions were assigned to the combination of the Market Settlement Working Group and the Congestion Management Working Group (the Market Working Group). The Group met several times and provided a recommended plan to the SPTF that was accepted on May 28. The detailed plan is provided as Attachment #1.

Summary of the plan: The plan is to be implemented in three phases: Phase 1 - Real-Time Balancing Market with Market Monitoring and Market Power Mitigation; Phase 2 - Market Based Congestion Management; Phase 3 - Ancillary Services Market. Implementation is to begin with the prior market system design developed by SPP during 2001, and perform a detail design for Phase I and a high-level design for the other phases. Changes in Phase I to support other phases will be incorporated with an objective of November 2004 implementation for all of Phase I. Phase 1 will be broken down into three distinct increments: a) Establish infrastructure and processes that allows for a non-binding settlement of Energy Imbalance using proxy rates with an objective of February 2004. ~~Settlement of Imbalance at tariff filed rates of each Transmission Owner with an objective of February 2004;~~ b) Enhanced Reliability Data and Net Schedule

**Southwest Power Pool
Strategic Planning Committee
Report to the Board of Directors
September 22, 2003**

SWPA Recommendation

Background

The Strategic Planning Committee (SPC) report approved at the August 26, 2003 Board of Directors meeting included the following language:

"The transition of Southwest Power Pool (SPP) into a FERC recognized regional entity is causing the Southwestern Power Administration (SWPA) to meet certain federal requirements prior to continuing their participation in SPP. The SPC supports the accommodation of SWPA's statutory constraints in order to retain their membership in SPP and will make all reasonable efforts to do so. Subsequent related recommendation from the SPC will be presented to the Board of Directors in the near future."

Analysis

Since the August 26, 2003 Board of Directors meeting, the Staff and SPC has worked with the SWPA to carry out the direction of the above resolution. Throughout these discussions, SWPA indicated their desire to maintain membership in SPP. SWPA currently has special conditions attached to their SPP Membership Agreement related to their specific statutory requirements. Due to SPP's evolution toward wholesale markets, an additional related special condition was developed. With approval by the SPP Board of Directors, Staff will incorporate this language into the existing SWPA "Special Conditions" for execution of a new membership agreement.

Recommendation

"To the extent that Southwestern Power Administration (SWPA) maintains its membership in SPP (including its present "special conditions") beyond October 31, 2003, SPP Strategic Planning Committee recommends to the SPP Board of Directors an additional "special conditions" to Exhibit 1 of SWPA's new Membership Agreement to continue the provisions of current SPP services including reliability coordination, OASIS administration, tariff administration, security coordination, scheduling and automated reserve sharing, while allowing SWPA to opt out of participation in SPP's markets and the cost responsibilities related to these markets."

Approved: Strategic Planning Committee September 10, 2003

Action Requested: Approve Recommendation