

Southwest Power Pool
BOARD OF DIRECTORS TELECONFERENCE MEETING
October 1, 2003
1:00 p.m. CDT

- Summary of Action Items -

1. Approved the recommendation of the Strategic Planning Committee related to language for the SPP Bylaws regarding a Regional State Committee.

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Agenda Item 1 - Administrative Items

SPP Chair Mr. Al Strecker called the teleconference meeting to order at 1:04 p.m., and thanked everyone present for attending. A quorum was declared with the following Board members in attendance or represented by proxy:

Mr. David Christiano, City Utilities of Springfield, MO,
Mr. Harry Dawson, Oklahoma Municipal Power Authority,
Mr. Michael Desselle proxy for 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, and proxy for 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. Richard Spring, Kansas City Power & Light,
Mr. Al Strecker, OG+E,
Mr. Larry Sur, independent director,
Mr. Walt Yeager, Cinergy Services

SPP Staff included Nick Brown, Carl Monroe, and Stacy Duckett. Guests participating included Ricky Bittle (AECC), Carl Huslig (Aquila), Bary Warren (EDE), and Commissioner Denise Bodie (OCC).

Mr. Strecker noted that the Board would defer any pending administrative items until the next meeting.

Agenda Item 2 – Strategic Planning Committee Reports

Mr. Spring presented the report from the Strategic Planning Committee (SPC) regarding the language to be included in the revised SPP Bylaws related to the role of the Regional State Committee in the organization (Attachment 1). The SPC recommended that the “general” language be approved for inclusion in the Bylaws that are to be part of SPP’s RTO filing, and that the SPC continue to work with the states on more detailed language, or in the alternative, a separate agreement between SPP and the states that would detail the relationship. The results of these efforts are to be presented at the Board of Directors meeting on October 28. Mr. Spring motioned for approval of the recommendation; Mr. Desselle seconded the motion. Considerable discussion followed. A roll call vote was taken and the motion was approved with 15 votes in favor and one abstention.

Adjournment

The Board of Directors will meet in Little Rock on Tuesday, October 28, 2003, at 1:00 p.m. CST. Mr. Strecker thanked everyone for their participation and adjourned the teleconference at 1:28 p.m.

Nicholas A. Brown, Corporate Secretary

5.0 Regulatory Involvement and Regional State Committee.

Any regulatory agency having utility rates or services jurisdiction over a Member may participate fully in all SPP activities, including participation at the SPP Board of Directors meetings. These representatives shall have all the same rights as Members except the right to vote. Participation includes the designation of representatives by each of the regulatory jurisdictions to participate in any type of committee, working group, task force, and Board of Directors meetings.

5.1 Retention of State Regulatory Jurisdiction

Nothing in the formation or operation of SPP as a FERC recognized regional transmission organization is in any way intended to diminish existing state regulatory jurisdiction and authority. Each state regulatory agency is expressly reserved the right to exercise all lawful means available to protect its existing jurisdiction and authority.

5.2 Regional State Committee

An RSC, to be comprised of one designated commissioner from each state regulatory commission having jurisdiction over an SPP Member, shall be established to provide both direction and input on all matters pertinent to the participation of the Members in SPP. This direction and input shall be provided within the context of SPP's organizational group meetings as well as Board of Directors meetings. The SPP Staff will assist the RSC in its collective responsibilities and requests by providing information and analysis. SPP will fund the costs of the RSC pursuant to an annual budget developed by the RSC and submitted to SPP as part of its budgeting process, which budget must ultimately be approved by the Board of Directors.

5.3 Retention of Other Regulatory Jurisdiction

Nothing in the formation or operation of SPP as a FERC recognized regional transmission organization is in any way intended to diminish the jurisdiction or authority of any other regulatory body. Any regulatory agency having utility rates or services jurisdiction over a Member or the regional transmission organization reserves the right to exercise all lawful means available to protect its existing jurisdiction and authority.