



Southwest Power Pool, Inc.
CORPORATE GOVERNANCE COMMITTEE MEETING
March 1, 2012
OMPA Offices, Edmond, OK

• 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. 2013 Nominations..... Nick Brown
 - a. Board of Directors
 - b. Regional Entity Trustees
 - c. Members Committee
3. Vacancies Nick Brown
 - a. Human Resources Committee
4. Rosters Update..... Stacy Duckett
5. Withdrawal Obligations..... Stacy Duckett
 - a. Update on Current Drafts
 - b. Discussion on Financial Obligation
6. Standards of Conduct Discussion Stacy Duckett
7. Organizational Effectiveness Nick Brown/Stacy Duckett
 - a. Staff Secretary Training
 - b. Chair/Secretary Workshop
 - c. Board Committee Responsibilities
8. Future Meetings..... Nick Brown

August 30, 2012

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

Southwest Power Pool
CORPORATE GOVERNANCE COMMITTEE MEETING
Eldorado Hotel & Spa, Santa Fe, New Mexico

October 25, 2011

• M I N U T E S •

Agenda Item 1 – Administrative Items

Nick Brown called the meeting to order at 2:20 p.m. Other members in attendance or represented by proxy were: Cindy Holman (OMPA), Rob Janssen (Dogwood), Jim Eckelberger (Director), Steve Parr (KEPCo), Mel Perkins (OG&E) and John McClure (NPPD). SPP Staff included Stacy Duckett and Michael Desselle. Others attending were Phyllis Bernard (Director), Harry Skilton (Director), Julian Brix (Director), Tom Hestermann (Sunflower), Bruce Cude (Xcel), David Ried (OPPD), Kip Fox (AEP) and Matt Binette (Wright & Talisman),

Mr. Brown referred to draft minutes for September 1, 2011 (9/1/11 Minutes – Attachment 1). The minutes were approved by acclamation.

Agenda Item 2 – Withdrawal Obligation Revisions

Matt Binette walked the group through current drafts of revisions to the Membership Agreement, Bylaws and Tariff to address withdrawal obligations associated with regional transmission costs. The Committee discussed and considered several questions, including feedback received during the Board meeting. The group provided feedback on additional revisions. Wright and Talisman will re-draft and circulate the new versions.

Agenda Item 3 – Membership Agreement Revision/Appendix A

Stacy Duckett presented a request to delete Appendix A from the Membership Agreement as part of the Integrated Marketplace filing planned for early 2012.

The group then discussed next steps for moving forward with all revisions. The decision was to plan the withdrawal revisions for consideration at the April meetings. The group will convene via teleconference to discuss the next version.

Mel Perkins moved to approve the deletion of Appendix A from the Membership Agreement; Rob Janssen seconded the motion. The motion passed unanimously. This approval is for consideration at the January Board meeting, for inclusion in the Integrated Marketplace filing and effective with implementation of the Consolidated Balancing Authority.

Agenda Item 4 – Standards of Conduct Requirements

Stacy Duckett provided background on questions related to Standards of Conduct limitations on financial interests. The group discussed. Staff will obtain formal opinion from counsel for consideration. Staff will develop a proposal to provide a list to FERC and/or seek a waiver with disclosure via filing and; will coordinate with the IRC as well.

Agenda Item 5 – Board of Directors Fees

Stacy Duckett discussed a Staff proposal to add a fee for Directors when they are not able to attend a live meeting, but otherwise prepare to participate. Staff suggested \$1,500 as a reasonable fee. Following discussion, John McClure moved to approve; Cindy Holman seconded. The motion passed unanimously. The recommendation will be made to Membership.

Corporate Governance Committee
October 25, 2011

Agenda Item 6 – Review of Assessment Form and Scope

The Committee discussed the draft Self-Assessment Form and current Scope. No revisions were suggested.

Agenda Item 7 – Future Meetings

Nick Brown noted the scheduled meetings in 2012. A teleconference is scheduled for December 7 at 1:00 p.m. CST.

Other

Stacy Duckett noted the current vacancies on the Strategic Planning Committee and the Finance Committee and the pending vacancy on the Human Resources Committee. The group will take these up at the December conference call.

Adjournment

Nick Brown thanked everyone for participating and adjourned the meeting at 4:10 p.m.

Respectfully submitted,

Stacy Duckett, Secretary

Southwest Power Pool
CORPORATE GOVERNANCE COMMITTEE MEETING
Teleconference

December 7, 2011

• M I N U T E S •

Agenda Item 1 – Administrative Items

Nick Brown called the meeting to order at 1:03 p.m. Other members in attendance or represented by proxy were: Cindy Holman (OMPA), Rob Janssen (Dogwood), Steve Parr (KEPCo), Mel Perkins (OG&E) and John McClure (NPPD). SPP Staff included Stacy Duckett. Others attending were Barry Spector and Matt Binette (Wright & Talisman),

Agenda Item 2 – Vacancies

Nick Brown reviewed current vacancies on the Finance Committee (TU member) and the Strategic Planning Committee (TO member). The membership was previously solicited for nominees. Following discussion, Mel Perkins moved to nominate Carl Huslig (ITC Great Plains) to the Finance Committee. Cindy Holman seconded the motion, which passed unanimously. Following additional discussion, John McClure moved to nominate Jon Hansen (OPPD) to the Strategic Planning Committee. Mel Perkins seconded the motion, which passed unanimously.

Agenda Item 3 – Standards of conduct Update

Stacy Duckett noted previous discussion regarding conflicts issues associated with the Standards of Conduct. Barry Spector reviewed research done on the issues noting the foundation of this is the requirement for Regional Transmission Organizations to be independent. A memo addressing this issue will be issued for the committee's review and consideration. The memo will be provided to the Board of Directors as well for reference. Some clarifying modifications will be made to the Standards of Conduct.

The group then discussed some questions posed regarding John Meyer's service on the Western Electricity Coordinating Council (WECC) Board and whether it creates any conflict. Staff has previously discussed this and advised John there was no conflict. Following discussion, the Committee concurred that there is no conflict.

Agenda Item 4 – Withdrawal Obligations

Stacy Duckett noted continued work on language for withdrawal obligations associated with transmission costs. Matt Binette reviewed the most recent updates. The group then discussed examples provided. The status will be reported at the January series of meetings with action planned at the April Markets and Operations Policy Committee and Board of Directors meetings. The Committee will take final action at its March 1, 2012 meeting.

Agenda Item 5 – Future Meetings

Nick Brown noted the next scheduled meeting is on March 1, 2012 at the Oklahoma Municipal Power Authority's (OMPA) offices in Edmond, Oklahoma.

Adjournment

Nick Brown thanked everyone for participating and adjourned the meeting at 2:03 p.m.

Respectfully submitted,

Stacy Duckett, Secretary

SPP BOARD OF DIRECTORS

	TERM EXPIRES
Larry Altenbaumer	2014
Phyllis Bernard	2013
Julian Brix	2013
Nick Brown	N/A
Jim Eckelberger	2012
Josh Martin	2014
Harry Skilton	2012

Class of 2012

Jim Eckelberger
Harry Skilton

Class of 2013

Phyllis Bernard
Julian Brix

Class of 2014

Josh Martin
Larry Altenbaumer

REGIONAL ENTITY TRUSTEES

	TERM EXPIRES
Gerry Burrows	2014
Dave Christiano	2012
John Meyer	2013

Class of 2012

Dave Christiano

Class of 2013

John Meyer

Class of 2014

Gerry Burrows

SPP MEMBERS COMMITTEE

SECTOR		COMPANY	TERM EXPIRES
Investor Owned Utilities	Kelly Harrison	Westar	2013
	Mel Perkins	OG+E	2014
	Mike Deggendorf	KCPL	2012
	Stuart Solomon	AEP	2013
Cooperatives	Steve Parr	KEPCo	2014
	Gary Roulet	WFEC	2012
	Noman Williams	Sunflower	2013
	Mike Wise	GSEC	2012
Municipals	Jeff Knottek	City Utilities of Springfield	2013
	Cindy Holman	OMPA	2014
IPPs/Marketers	Trudy Harper	Tenaska	2012
	Rob Janssen	Dogwood	2013
	Brett Kruse	Calpine	2014
State/Federal Agencies	Tom Kent	NPPD	2012
	Mo Doghman	OPPD	2014
Large Retail Customer	vacant		2014
Small Retail Customer	vacant		2013
Public Interest/ Alternative Power	vacant		2014
	vacant		2012

Class of 2012

Mike Deggendorf
Gary Roulet
Mike Wise
Trudy Harper
Tom Kent
Publ Int/Alt Pwr (vacant)

Class of 2013

Kelly Harrison
Stuart Solomon
Noman Williams
Jeff Knottek
Rob Janssen
Sm. Retail (vacant)

Class of 2014

Mel Perkins
Steve Parr
Cindy Holman
Mo Doghman
Brett Kruse
Lg. Retail (vacant)
Publ Int/Alt Pwr (vacant)

Corporate Governance Committee
March 1, 2012
FOR DISCUSSION PURPOSES ONLY

Following is an alternative Withdrawal Fee for Members for payment of a share of SPP, Inc.'s financial obligations as required in the Membership Agreement.

$$\text{Exit Fee} = \text{Flat Fee} + \{[\text{B}/\text{C}] * \text{SPP Debt}\}$$

- Flat fee = Annual Membership Fee
- B = Previous Year NEL + Previous Year NEG
- C = Factor B for all Members

Staff Secretaries Development Session – Spring 2011

Length: 3.5 hours

Dates:

- Tuesday, March 13, 1 – 4:30 p.m.
- Friday, March 16, 8:30 a.m. – Noon

Location: Chenal Kitchen Conference Room

Welcome/Introductions/Value of the Staff Secretary role - Carl Monroe

15 minutes

- Each person introduces self (name, role, how long they've been a secretary/involved in a WG)
- Purpose of the session
- Value of Working Groups; of the staff secretary role

Back to Basics - Stacy Duckett

40 minutes

- Staff Secretary role
 - a. Expectations
 - b. Tools
 - c. Agenda structure
 - d. Minutes
 - e. Action item tracking
 - f. Posting documents on spp.org
 - g. Dates and deliverables

Managing Group Dynamics – Pete Hoelscher

50 minutes

- Getting all voices heard
- Assessing and building commitment
- Increasing participation
- Handling expertise and egos
- Working through a constantly changing roster
- Small group exercise – “Challenge(s) I'm facing”

BREAK – 15 minutes

Temperaments and Thinking Styles – Donna Freeman

50 minutes

- How your Temperament influences your role
- Using Six Hats for a better outcome
- Identifying and working with different personalities
- Small group exercise – “Finding solutions”

Your 2012 Plan - Carl Monroe

25 minutes

- Complete planning template
 - a. Share some of the actions
 - b. Officer follow up with respective staff secretary
- Feedback on other things that could help staff secretaries
- Discussion about communication regarding Integrated Marketplace

Subject: SPP Board of Directors Committee Responsibilities

From: Nick Brown

Sent: Thursday, January 26, 2012 12:32 PM

To: SPP BOD (Members Only)

Cc: Officers

Subject: SPP Board of Directors Committee Responsibilities

Hello!

As we discussed over dinner in December, the officers were to assess committee responsibilities and make appropriate recommendations for consideration of Board members and then to the Corporate Governance Committee. Following research of our past practices and experience, working with the National Association of Corporate Directors, and reviewing structures of several other organizations and the underlying logic, we offer the following changes for your consideration:

Reassign from Finance Committee to the Oversight Committee

- Responsibility for Audits
 - Financial
 - SSAE 16
- Business Continuity Assessments

Reassign from Human Resources Committee to the Oversight Committee

- Responsibility for Audits
 - Benefit plans
- To ensure compliance with NACD guidelines for financial expertise swap Larry and Julian HR/OC representation

Reassign from Human Resource Committee to the Finance Committee

- Investment Fund Management Oversight
 - Retiree
 - Medical
 - Defined Benefit (Pension)
 - Defined Contribution (401k)

There are no burning issues here so I suggest everyone noodle on this a bit and we can share initial reactions next week.

Take Care, Nick