



**Southwest Power Pool, Inc.**  
**CORPORATE GOVERNANCE COMMITTEE MEETING**  
**February 28, 2013**  
**Hyatt Regency DFW Airport, Dallas, TX**

**• A G E N D A •**

10:00 a.m. – 4:00 p.m.

1. Call to Order and Administrative Items..... Nick Brown
2. Indemnification Review..... Paul Suskie/Mike Riley
3. Strategic Planning Committee Vacancy ..... Stacy Duckett
4. 2014 Nominations..... Stacy Duckett
5. Project Cost Working Group Charter..... Stacy Duckett
6. Withdrawal Obligations..... Stacy Duckett/Matt Binette
7. Annual Review of Director Compensation ..... Nick Brown
8. Future Meetings..... Nick Brown

2013

August 29

**Southwest Power Pool**  
**CORPORATE GOVERNANCE COMMITTEE MEETING**  
**Doubletree Dallas near the Galleria, Dallas, TX**

**December 11, 2012**

**• M I N U T E S •**

**Agenda Item 1 – Administrative Items**

Nick Brown called the meeting to order at 1:02 p.m. Other members in attendance or represented by proxy were: Rob Janssen (Dogwood), Cindy Holman (OMPA), Steve Parr (KEPCo), Jim Eckelberger (Director), Mel Perkins (OG&E), and John McClure (NPPD). SPP Staff included Stacy Duckett, Carl Monroe, Mike Riley, Matt Harward and Paul Suskie. Others attending were Julian Brix, Harry Skilton, Phyllis Bernard, and Josh Martin (Directors); Bruce Cude, Bill Grant and Alice Jackson (Xcel); Bary Warren (Empire); Jeff Knottek, Heather Starnes (Utility of Springfield); Phil Crissup (OGE); Joe Lang (LES); and Noman Williams (Sunflower).

Nick Brown asked for a motion to approve minutes from the October 30, 2012 meeting and the November 20, 2012 teleconference (Minutes 10/30/12 and 11/20/12 – Attachment 1). John McClure moved to approve the minutes as revised; Rob Janssen seconded the motion. The motion passed unanimously.

**Agenda Item 2 – Organizational Effectiveness**

a. Members Committee Vacancy

Stacy Duckett noted a vacancy pending on the Members Committee for the IOU sector. A notice was issued and four nominees were received: Phil Crissup (OGE), Kristine Schmidt (ITC Great Plains), Alice Jackson (SPS/Xcel) and Chris Lyons (Exelon). Following discussion, Mel Perkins moved to nominate Phil Crissup; Cindy Holman seconded the motion, which passed unanimously.

b. Regional Compliance Working Group (RCWG)

Nick Brown noted the proposed charter changes to Market Working Group (MWG), Critical Infrastructure Protection Working Group (CIPWG), establishment of RCWG and charters for the Board of Directors committees (RCWG Scope and Roster – Attachment 2). John McClure moved to approve all revisions and the RCWG scope and roster; Mel Perkins seconded the motion, which passed unanimously.

c. Bylaws and Charter Revisions

Stacy Duckett presented revised SPP Bylaws regarding charter revisions (Bylaws and Charter Revisions – Attachment 3). Steve Parr moved to approve the revised Bylaws; Cindy Holman seconded the motion, which passed unanimously.

d. Market Working Group Charter

This item was covered under Item 2b (MWG Charter – Attachment 4).

e. Rosters and Assessments

Nick Brown referred to rosters and assessments, and particularly attendance data (Rosters and Assessments – Attachment 5). Several committee members commented on improvements in attendance since more attention has been focused on participation. Mel Perkins encouraged those on the Members Committee or Membership representatives to review participation by their company representatives and ensure adequate engagement. Bary Warren noted each group should be encouraged to elect a vice chairman and to be sure they have one in place. Rob

Janssen moved to recommend the committee and working group rosters for approval by the Board of Directors at its January meeting. The motion passed unanimously.

**Agenda Item 3 – Chair/Secretary Workshop Report**

Stacy Duckett provided a review of the Chair/Secretary Workshop (Chair/Secretary Report – Attachment 6). This will be conducted every two years. The session went well and was well-attended. John McClure requested to receive the presentation and materials provided to participants.

**Agenda Item 4 – Indemnification Review**

Nick Brown provided background on the indemnification issue and why it was referred to the Corporate Governance Committee (Indemnification Review – Attachment 7). Paul Suskie presented the context for the presentation with significant discussion following. The Committee provided direction for staff to draft a recommendation for its consideration that SPP, Inc. should not provide indemnification to members for the Consolidation Balancing Authority (CBA) function as it would be inconsistent with the indemnification policy otherwise in the organization and for other functions. This will be addressed at the next meeting. A report will be provided to the MOPC on CGC's position. Mel Perkins requested adequate time to vet the recommendation internally.

Paul Suskie also presented the issue of notice in Attachment AP of the Tariff. Specifically, SPP's current version required notice whether a specific member(s) may be held at fault or not. Staff will submit proposed language at a future meeting.

Nick Brown noted the deferral of the withdrawal obligations issue. The recommendation is to hold a meeting in January focused on the issue. Due to scheduling conflicts there will be no special meeting, but this will be the primary agenda item at the February meeting. Bary Warren suggested that a separate task force might be helpful in resolving this. At this time, the CGC will continue to consider the issue rather than refer it to a task force. Any input should be provided through Stacy Duckett.

**Agenda Item 5 – Future Meetings**

The next scheduled CGC meeting is February 28.

**Adjournment**

Nick Brown thanked everyone for participating and adjourned the meeting at 4:15 p.m.

Respectfully submitted,

Stacy Duckett, Secretary

## 2/2013 - MEMBERSHIP REPRESENTATION ON SPP COMMITTEES

Member Company	MC	CGC	FC	HRC	SPC
AECC	1	1		1	1
AEP/PSO/SWEPCO	1		1		
Board of Public Utilities, KC,KS					
Calpine	1			1	
City Utilities of Springfield	1				
Dogwood	1	1			1
Empire				1	1
Golden Spread	1		1		1
GRDA					
KCPL	1				
KEPCo			1		1
NPPD	1	1			
OG&E	1	1			1
OMPA	1	1			
OPPD	1				1
Sunflower	1			1	
Tenaska	1				
Westar	1		1		
WFEC	1				
Xcel Energy					

## SPP BOARD OF DIRECTORS

	<b>TERM EXPIRES</b>
Larry Altenbaumer	2014
Phyllis Bernard	2013
Julian Brix	2013
Nick Brown	N/A
Jim Eckelberger	2015
Josh Martin	2014
Harry Skilton	2015

**Class of 2013**

Phyllis Bernard  
Julian Brix

**Class of 2014**

Josh Martin  
Larry Altenbaumer

**Class of 2015**

Jim Eckelberger  
Harry Skilton

## REGIONAL ENTITY TRUSTEES

	<b>TERM EXPIRES</b>
Gerry Burrows	2014
Dave Christiano	2015
John Meyer	2013

**Class of 2013**  
John Meyer

**Class of 2014**  
Gerry Burrows

**Class of 2012**  
Dave Christiano

## SPP MEMBERS COMMITTEE

SECTOR		COMPANY	TERM EXPIRES
Investor Owned Utilities	Kelly Harrison	Westar	2013
	Phil Crissup	OG+E	2014
	Mike Deggendorf	KCPL	2015
	Stuart Solomon	AEP	2013
Cooperatives	Ricky Bittle	AECC	2014
	Gary Roulet	WFEC	2015
	Noman Williams	Sunflower	2013
	Mike Wise	GSEC	2015
Municipals	Jeff Knottek	City Utilities of Springfield	2013
	Cindy Holman	OMPA	2014
IPPs/Marketers	Kevin Smith	Tenaska	2015
	Rob Janssen	Dogwood	2013
	Brett Kruse	Calpine	2014
State/Federal Agencies	Tom Kent	NPPD	2015
	Mo Doghman	OPPD	2014
Large Retail Customer	vacant		2014
Small Retail Customer	vacant		2013
Public Interest/ Alternative Power	vacant		2014
	vacant		2015

### Class of 2013

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

### Class of 2014

Phil Crissup  
Ricky Bittle  
Cindy Holman  
Mo Doghman  
Brett Kruse  
Lg. Retail (vacant) Publ  
Int/Alt Pwr (vacant)

### Class of 2015

Mike Deggendorf  
Gary Roulet  
Mike Wise  
Kevin Smith  
Tom Kent  
Publ Int/Alt Pwr (vacant)



**Southwest Power Pool, Inc.  
PROJECT COST WORKING GROUP**

**Recommendation to the Markets and Operations Policy Committee**

**January 15-16, 2013**

**Organizational Roster**

The Project Cost Working Group members are listed below:

Terri Gallup, AEP, Chair	Larry Holloway, KPP
David Kimball, NPPD	Lloyd Kolb, Golden Spread
Al Ackland, KCPL	Tom Littleton, OMPA
Scott Benortham, Westar	Brian Slocum, ITC-GP
Tom Hestermann, Sunflower	John Krajewski, Nebraska Power Review Bd. (CAWG Liaison)
Peter Day, OG&E	Steve Purdy, SPP Staff Secretary
Leland Jacobson, OPPD	Cary Frizzell, SPP Staff coordinator
Jeff Stebbins, SPS	
Brent Carr, AECC	

**Background**

The PCWG, in conjunction with SPP Legal staff, is developing a nondisclosure agreement to address the confidentiality of certain project cost data that is reviewed by the PCWG. PCWG members will be required to execute the nondisclosure agreement to review information that has been identified as confidential by a Transmission Owner.

At its December 14<sup>th</sup> meeting, the PCWG approved modifications to its charter to:

1. Require execution of the nondisclosure agreement by PCWG members and representatives of the Regional State Committee who participate in reviewing confidential information.
2. Provide that confidential information will not be publicly posted.
3. Provide for RSC representatives to participate in closed meetings.
4. To avoid confusion, change the word "stakeholder" to lower-case because it is not a defined term in the tariff or other governing documents.

**Recommendation**

The PCWG recommends that MOPC approve the changes to the PCWG charter.

**Approved:** PCWG 12/14/2012  
Passed Unanimously

**Action Requested:** Approve Recommendation





**Southwest Power Pool  
Project Cost Working Group  
Charter**

**October 25, 2011**

**Redline Approved by PCWG 12/14/2012**

**Purpose**

To maintain the integrity of the SPP transmission project estimate process, a rigorous and transparent evaluation of cost estimate variances is required. The SPP project tracking process sets cost variance bandwidths and mandates justification and review for cost estimates that have changed outside these bandwidths.

The purpose of establishing the Project Cost Working Group (PCWG) is to create a group with stakeholder input, oversight, and accountability that can provide a transparent review of transmission cost variances. To ensure cost estimate variances are addressed in a timely manner, the PCWG will evaluate projects exceeding allowable variance levels on a monthly basis. As a part of the project estimate review, the PCWG will provide recommendations to the Markets and Operations Policy Committee (MOPC) and Regional State Committee (RSC) for review and to the SPP Board of Directors (BOD) for approval. On a quarterly basis, the PCWG will provide a report of their findings and comments to ~~S~~stakeholders.

The PCWG will also maintain the Study Estimate Design Guide (SEDG). The PCWG will notify MOPC if a trend is developing in cost estimates deviating from the SEDG. The MOPC is responsible for determining if a review of the SEDG is required. However, this does not preclude PCWG from suggesting to the MOPC any other changes to the SEDG.

**Scope of Activities**

In carrying out its purposes, the PCWG will:

1. Provide a monthly review of regionally funded projects that have been identified by the SPP project tracking process as having estimated costs that have exceeded allowable variance levels.
2. Provide recommendations for projects that exceed the allowable variance levels.
3. Provide a quarterly report to ~~S~~stakeholders.

**Representation**

The PCWG membership should consist of members who can collectively represent the interests of the SPP stakeholders. To ensure they have the expertise to make the recommendations required, these members should have experience in one or more of the following areas: transmission construction costs/estimating, project management, and/or ratemaking.

PCWG membership will consist of up to the following:

16 Voting members-

- 8 Transmission Owning
- 8 Transmission Using

Non-Voting member-

- 1 CAWG Liaison

**Duration**

Permanent

**Reporting**

The PCWG reports to the Markets and Operations Policy Committee.

**Other Notes:**

In light of FERC Orders 888 and 889 and the group composition of transmission and generation parties, the PCWG will have to observe the Standards of Conduct outlined in FERC Order 889. As such, there may be topics discussed by the PCWG that are privileged and confidential. Under such an event, appropriate measures will be taken to ensure that no Standards of Conduct are violated, including but not limited to, closed meetings, closed sessions, etc. ~~For information~~To review information identified as confidential and protected, PCWG Members and participants will be required to ~~adhere execute to the~~ SPP's Nondisclosure Agreement developed by the PCWG.

Any materials provided during closed meetings containing information identified as confidential and protected and subject to the Nondisclosure Agreement developed by the PCWG will not be made publicly available.

Each member of the RSC may designate a representative to participate in any closed sessions involving projects within their respective states. To review information identified as confidential and protected, the RSC representative will be required to execute the Nondisclosure Agreement developed by the PCWG.

## **Southwest Power Pool Bylaws**

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## **1.0 Definitions**

### **Affiliate Relationships**

Affiliate Relationships are relationships between SPP Members that have one or more of the following attributes in common:

- (a) are subsidiaries of the same company;
- (b) one Member is a subsidiary of another Member;
- (c) have, through an agency agreement, turned over control of a majority of their generation facilities to another Member;
- (d) have, through an agency agreement, turned over control of a majority of their transmission system to another Member, except to the extent that the facilities are turned over to an independent transmission company recognized by FERC;
- (e) have an exclusive marketing alliance between Members; or
- (f) ownership by one Member of ten percent or greater of another Member.

### **Articles of Incorporation**

SPP's articles of incorporation as filed with the state of Arkansas.

### **Board of Directors**

The Board of Directors of SPP, which shall manage the general business of SPP pursuant to these Bylaws.

### **Bylaws**

These bylaws.

### **Criteria**

Planning and operating standards and procedures as approved by the Board of Directors.

### **Existing Obligations**

Certain financial obligations as defined in Section 8.7.1 of these Bylaws.

**ERO**

The Electric Reliability Organization under FERC jurisdiction that regulates reliability of the electric power grid.

**Member**

An entity that has met the requirements of Section 2.2 of these Bylaws.

**Membership**

The collective Members of SPP.

**Membership Agreement**

The contract, that specifies the rights and obligations of the parties, executed between SPP and an entity seeking to become an SPP member.

**NERC**

The North American Electric Reliability Corporation or successor organizations.

**Net Energy for Load**

The electrical energy requirements of an electric system are defined as system net generation plus energy received from others, less energy delivered to others through interchange. It includes system losses but excludes energy required for the storage at energy storage facilities.

**Officers**

The officers of SPP as elected by the Board of Directors. The Officers consist of the President and the Corporate Secretary, at a minimum. Any Officer must be independent of any Member organization.



**Organizational Group**

A group, other than the Board of Directors, comprising a committee or working group that is charged with specific responsibilities toward accomplishing SPP's mission.

**Regional Criteria**

SPP planning and operating standards and procedures as approved by the Board of Directors.

**Regional Entity Trustees**

A governing body of SPP, independent of the Board of Directors, which specifically oversees SPP's function as an ERO Regional Entity pursuant to the Delegation Agreement between SPP and the ERO.

**Regional Reliability Standards**

Electric reliability requirements submitted to the ERO by the Regional Entity Trustees; and once approved, implemented and enforced by SPP under authority as the Regional Entity.

**Registered Entity(ies)**

A bulk electric system owner, operator or user that is required to comply with ERO reliability standards pursuant to the Energy Policy Act of 2005.

**SPP**

Southwest Power Pool, Inc.

**SPP Regional Entity**

That part of SPP responsible for the delegated functions pursuant to the Delegation Agreement between SPP and the ERO.

**SPP Compliance Monitoring and Enforcement Program**

The program used by the North American Electric Reliability Corporation (“NERC”) and the Regional Entities to monitor, assess, and enforce compliance with Reliability Standards within the United States.

**Staff**

The technical and administrative staff of SPP as hired by the Officers to accomplish SPP’s mission.

**Standards Development Team**

An SPP Organizational Group assigned or choosing to develop an SPP Regional Reliability Standard for submission to the ERO for approval for enforcement.

**Terminated Member**

An entity that was a Signatory to the Membership Agreement but whose membership in SPP has been terminated under Section 4 of the Membership Agreement.

**Transmission Owning Member**

A Member that has placed more than 500 miles of non-radial facilities operated at or above 60 kV under the independent administration of SPP for the provision of regional transmission service as set forth in the Membership Agreement.

**Transmission Using Member**

A Member that does not meet the definition of a Transmission Owning Member.

#### 6.4 Oversight Committee

The Oversight Committee (OC) shall be comprised of three members from the Board of Directors.

The Board of Directors shall appoint the representatives of the OC. Each representative of the OC shall continue to be a representative thereof until the Board of Directors appoints his/her successor. Where a vacancy occurs, the Board of Directors will fill the vacancy.

The OC shall meet as needed, provided that a quorum, as defined in these Bylaws, is present. The OC shall report to the Board of Directors following each OC meeting with respect to its activities and with such recommendations, as the OC deems necessary.

The responsibilities of the Oversight Committee shall include:

- (a) Oversee the process of monitoring compliance to SPP and NERC policies other than that assigned to the Regional Entity Trustees under these Bylaws;
- (b) Independently review activities of the Staff;
- (c) Hear and rule on appeals from Members regarding penalty assessment or fine distribution prior to dispute resolution proceedings;
- (d) Recommend Regional Criteria changes necessary for enforcement of mandatory compliance and in response to unclear enforcement provisions of Regional Criteria;
- (e) Grant specific additional authority to the Staff responsible for the oversight monitoring function when needed to perform challenging investigations;
- (f) Oversee the Internal Audit function and receive regular reports, except for that work associated with ~~SAS70—Audit—~~service organization controls audit requirements and other financial matters;
- (g) Complete a self-assessment annually to determine how effectively the OC is meeting its responsibilities; and
- (h) Perform such other functions as the Board of Directors may delegate or direct.

## 6.5 Finance Committee

The Finance Committee (FC) shall be comprised of six members. Two representatives shall be from the Board of Directors, one of whom shall serve as the Chair; two representatives from the Transmission Owning Member sector as nominated by the Corporate Governance Committee; and two representatives from the Transmission Using Member sector as nominated by the Corporate Governance Committee.

The Board of Directors shall appoint the representatives of the FC. Each representative of the FC shall continue to be a representative thereof until the Board of Directors appoints his/her successor. Where a vacancy occurs the Corporate Governance Committee will fill the vacancy on an interim basis until the next meeting of the Board of Directors.

The FC shall meet at least twice per calendar year, and additionally as needed, provided that a quorum, as defined in these Bylaws, is present. The FC shall report to the Board of Directors following each FC meeting with respect to its activities and with such recommendations, as the FC deems necessary.

The responsibilities of the Finance Committee shall include assistance to the Board of Directors in fulfilling its responsibility to the Members, and investment community with respect to its oversight of:

- (a) The quality and integrity of SPP's financial statements;
- (b) SPP's compliance with financially-based legal and regulatory requirements;
- (c) The independent auditor's qualifications, selection, and independence;
- (d) The performance of SPP's internal audit function and independent auditors as relates to ~~SAS70 Audit~~ service organization controls audit requirements;
- (e) The development and implementation of annual and long-term operating and capital budgets;
- (f) The management of risk;
- (g) Develop policies for management of debt financing and for long-term contracting;
- (h) Monitoring methodology for cost recovery to ensure continuing equity for Members;
- (i) Other duties and responsibilities detailed in the Finance Committee charter; and

- (j) Perform such other functions as the Board of Directors may delegate or direct.

## 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 mortgages, 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 Financial Obligations for Transmission Facilities**

A Terminated Member shall remain financially responsible for all financial obligations incurred and costs allocated to its load for transmission facilities approved prior to the Termination Date, and payments applicable to time periods prior to the Termination Date shall be honored by SPP and the Terminated Member. Such rights and obligation shall be renegotiated between SPP and the Terminated Member, and any disputes involving such rights and obligations shall be resolved in accordance with the dispute resolution procedures in the Bylaws.

#### **8.7.4 Penalty Costs**

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



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  - 3.10 Pricing
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  - 3.12 Compliance with State Law
- 4.0 Termination of Membership
  - 4.1 Events of Termination and Partial Termination
  - 4.2 Termination Procedures and Effective Dates
    - 4.2.1 Notice of Voluntary Withdrawal
    - 4.2.2 Effective Date of Termination
  - 4.3 Obligations Upon Termination
    - 4.3.1 Obligation to Hold Users Harmless

4.3.2 Obligation to Pay Current and Existing Obligations

4.3.3 Construction of Transmission Facilities

4.3.3A Financial Obligations for Transmission Facilities

4.3.4 Regulatory and Other Approvals or Procedure

5.0 Regulatory, Tax, And Other Authorities

5.1 Regulatory and Other Authorities

5.2 Tax Authorities

5.3 Effectiveness as to Certain Members

6.0 Removal of Members

7.0 Effective Date, Duration, and Transition

8.0 Miscellaneous Provisions

8.1 Governing Law

8.2 Successors and Assigns

8.3 No Implied Waivers

8.4 Severability

8.5 Renegotiation

8.6 Representations and Warranties

8.7 Further Assurances

8.8 Delivery of Notices

8.9 Entire Agreement

8.10 Good Faith Efforts

8.11 Third Party Joint Agreements

8.12 Amendment

8.13 Counterparts

Appendix A

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).

**Terminated Member**

An entity that was a Signatory to this Agreement but whose membership in SPP has been terminated under Section 4 of this Agreement.

**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.

## 4.2 Termination Procedures and Effective Dates

### 4.2.1 Notice of Voluntary Withdrawal

(a) **Notice.** 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-twenty-four~~ (12/24) 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 supersede rescind any prior withdrawal notice given by the Member, except that a Member may not submit a withdrawal notice less than twenty-four (24) months prior to the termination date proposed in the Member's previous notice of intent to withdraw. Voluntary withdrawal is a Termination and creates the same obligations as a Termination for any other reason.

(b) **Withdrawal Deposit.** A Member submitting a written notice of its intent to withdraw from this Agreement must simultaneously submit a cash withdrawal deposit to SPP, as set forth in the table below. SPP will not accept a notice of intent to withdraw without a withdrawal deposit. SPP will treat the withdrawal deposit as a pre-payment of a portion of the costs SPP incurs to process the Member's withdrawal from SPP, as set forth in Section 4.3.2(d) of this Agreement, or the costs associated with reintegrating the Member into SPP if the Member subsequently rescinds its notice of intent to withdraw and SPP incurs costs to reintegrate the Member. Withdrawal deposits are as follows:

<u>Member Category</u>	<u>Withdrawal Deposit</u>
<u>Load Serving Entity</u>	<u>\$ 150,000</u>
<u>Non-Load Serving Entity</u>	<u>\$ 50,000</u>

If the cost of processing Member's withdrawal as calculated by SPP pursuant to Section 4.3.2(d) of this Agreement exceeds the withdrawal deposit, the additional amount shall be included in the invoice SPP provides to the Member under 4.3.2(e) of this Agreement. If the Member rescinds

its notice of intent to withdraw and the cost of processing the Member's withdrawal and subsequent reintegration into SPP exceeds the withdrawal deposit, SPP shall invoice the Member for the amount of the cost that exceeds the deposit, and the Member shall provide payment to SPP within thirty (30) days of receipt of the invoice. If the withdrawal deposit exceeds the costs of processing the Member's withdrawal and/or reintegration, SPP shall refund the difference to the Member.

#### **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 ~~12-24~~-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-twenty-four~~ (~~1224~~) 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, mortgages, 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 Oblations 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.

- (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 Termination or Partial Termination by a Member, the Member shall pay to SPP all costs SPP incurs to remove the Member's transmission facilities and/or customers from SPP markets and operations. Such costs will be determined by SPP and shall include but not be limited to costs associated with modifying systems and databases, staff time, legal costs, and all costs of completing other tasks necessary to process the Member's Termination. SPP will apply the Member's withdrawal deposit, as specified in Section 4.2.1(a), to such costs, and any costs exceeding the withdrawal deposit shall be included in the invoice to the 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 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 for facilities approved prior to the Termination Date~~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 Financial Obligations for Transmission Facilities**

A Terminated Member shall remain financially responsible for all financial obligations incurred and costs allocated to its load for transmission facilities approved prior to the Termination Date, and payments applicable to time periods prior to the Termination Date shall be honored by SPP and the Terminated Member. Such rights and obligation shall be renegotiated between SPP and the Terminated Member, and any disputes involving such rights and obligations shall be resolved in accordance with the dispute resolution procedures in the Bylaws.

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#### **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

**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 Terminated 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 Terminated 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), Terminated 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 Terminated Members and/or for an allocation of penalty costs among all Market Participants, ~~and~~ Members, and Terminated Members. Additionally, this Attachment provides for the participation of Market Participants, Members, and Terminated Members in the penalty assessment process with the Transmission Provider if the Market Participant, Member, or Terminated 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.

**Terminated 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 Terminated Members that they may potentially be responsible for reliability penalty costs assessed in the event that the Market Participant's, ~~or~~ Member's, or Terminated 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 Terminated 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 Terminated 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, Terminated 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), ~~Member(s)~~, or Terminated 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), ~~Member(s)~~, or Terminated 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), ~~Member(s)~~, or Terminated 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), ~~Member(s)~~, or Terminated Member(s) responsible for a portion of or all of the monetary penalties that result; and b) the Market Participant(s), ~~Member(s)~~, or Terminated 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), ~~Member(s)~~, or Terminated 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), ~~Member(s)~~, or Terminated 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 Terminated 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 Terminated 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 Terminated 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 Terminated 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 Terminated Member(s):

(4) If the Commission accepts the filing, the Market Participant(s), ~~or~~ Member(s), or Terminated 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 Terminated 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 Terminated 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 Terminated 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 Terminated 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 Terminated 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 Terminated 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 Terminated Members;

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

## 2012 Meetings Attended As An Observer

Meeting	Eckelberger	Skilton	Altenbaumer	Bernard	Brix	Martin
<b>CGC</b>						
3/1						
5/11 - T						
8/30					T	
10/30						
11/20 - T						
12/11		X		X	X	X
<b>Finance</b>						
4/17						
7/10						
7/27						
9/13					X	
10/11						
12/10	X			X		
<b>HRC</b>						
1/23						
4/12		X				
7/23-24 - Retreat	X				X	
10/10						
<b>MOPC</b>						
1/17	X	X		T		
4/10	X	X	X	X		
7/17	X	X	X	X		X
10/16	X	X	X	X		
<b>Oversight</b>						
3/27						
6/4			X			
9/27						
12/10	X	X			X	
<b>SPC</b>						
1/19						
4/9				X		
5/3-4				X		
7/19						
<b>RSC</b>						
1/30	X	X	X	X	X	X
4/23	X	X	X	X	X	X
7/30	X	X	X	X	X	X
10/29	X	X	X	X	X	X
<b>RE Trustees</b>						
1/30		X				X
2/29 - RE Spring Compliance WSp					X	
4/23				X	X	T
7/30			X			X

X - In-Person T - Teleconference

## 2012 Meetings Attended As An Observer

10/29	X		X			X
<b>Aggregate Study</b>						
1/12 - Teleconference		T				
<b>Adv Tec Users Group - Teleconf.</b>						
5/14		T				
6/11		T				
<b>9/27-BOD Discussion w/Presiden</b>						
	X	X	X	X	X	X
<b>10/28-BOD/MC/Officers Dinner</b>						
	X	X	X		X	X
<b>12/11-BOD Dinner</b>						
	X	X	X	X	X	X
<b>11/27-28 - Ch/Sec Workshop</b>						
	X					
<b>CAWG</b>						
6/13				X		
<b>Compliance Teleconferences</b>						
1/13				T	T	
2/10				T		
3/1- Forum - In-Person				X	X	
6/8				T		
7/20				T	T	T
8/16 - Forum - In-Person				X		
9/14			T	T		T
10/19				T		T
11/15 -Forum - In-Person				X		
12/21						T
<b>Generation Interconnect</b>						
1/10 - Teleconference		T				
<b>ERSC</b>						
<b>MWG</b>						
6/19				X		
<b>PWCG</b>						
7/10				X		
<b>Reliability Standards - Teleconf.</b>						
2/7						T
5/18						T
<b>RSC ICATF - Teleconference</b>						
5/31				T		
<b>SPCTF</b>						
5/18		X				T
6/7		X				T

X - In-Person T - Teleconference

## 2012 Meetings Attended As An Observer

7/12		X				T
<b>9/13-SPC Scenario Workshop</b>		X	X	X	X	
<b>SPCTF on Order 1000</b>						
1/18	X	X			X	
2/10	X					
3/8-9	X	T		T		T
3/29	X	T				
4/25	X	T		X		T
6/26	X					T
<b>7/9 - Ribbon Cutting</b>	X	X	X	X	X	X
<b>Member Visits:</b>						
2/8 - GSEC Visit					X	
2/9 - Xcel Visit					X	
<b>Transmission Planning Summit</b>						
8/22	X					
<b>1/4 - CIP Standards - T</b>				T		
<b>5/1 - Leadership Conference</b>	X	X				
<b>5/23-24 - IRC BOD Conference</b>	X	X	X		X	X

## SPP Board of Directors Fee Schedule

Annual Retainer	\$	15,000.00
Annual Retainer, Board Chair	\$	20,000.00
BOD Meeting, Chair	\$	3,500.00
BOD Meeting, Director	\$	3,000.00
BOD Meeting, Teleconference	\$	500.00
Committee Meeting, Chair	\$	2,500.00
Committee Meeting, Member	\$	2,000.00
Committee Meeting, Teleconference	\$	500.00
Meeting Observer, In Person	\$	1,500.00
Meeting Observer, Teleconference	\$	250.00
Representation Fee	\$	2,000.00

2/28/2013