



**Southwest Power Pool, Inc.**  
**CORPORATE GOVERNANCE COMMITTEE MEETING**  
**August 28, 2014**  
**Kansas City Power & Light – Kansas City, MO**

• **A G E N D A** •

10:00 a.m. – 4:00 p.m.

1. Call to Order and Administrative Items.....Nick Brown
2. Vacancies ..... Stacy Duckett
  - a. Human Resources Committee
3. 2015 Nominations for Members Committee .....Nick Brown
4. Organizational Effectiveness ..... Stacy Duckett
  - a. Charter Changes\Process
  - b. Schedule for 2014 Annual Surveys
5. Standards of Conduct Revisions ..... Stacy Duckett
6. Bylaws and Membership Agreement Updates and Corrections ..... Stacy Duckett
7. Future Meetings
  - February 26, 2015    TBD
  - August 27, 2015    TBD

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

**Southwest Power Pool**  
**CORPORATE GOVERNANCE COMMITTEE MEETING**  
**Southwest Power Pool Corporate Center, Little Rock, Arkansas**  
**May 1, 2014**

• M I N U T E S •

**Agenda Item 1 – Administrative Items**

Nick Brown called the meeting to order at 3:03 p.m. and declared a quorum. Roll was called based on the registration list. Members in attendance were: Denise Buffington (KCPL), Jim Eckelberger (Director), Ricky Bittle (AECC), Jason Fortik (LES), John McClure (NPPD), Robert Janssen (Dogwood). SPP Staff included Stacy Duckett, Dena Giessmann, David Kelley, Carl Monroe, Joe Ghormley and Paul Suskie. Ron Klinefelter, Lloyd Linke, Jody Sundsted, Gary Hoffman, and Michal Radeki (Western); Russ Mather, Kimberly Badenhop, and Blaine Erhardt (Basin); Jesse Helpin (Schiff Hardin for Basin); Tom Hesterman (Sunflower); Paul Malone (NPPD); Tom DeBaun (Kansas Corp Commission); Jim Jacoby (AEP); Tracey Stewart (SPA); Bill Grant (XCEL).

Joe Ghormley moved through the draft documents and addressed questions. Following discussion of the issues outlined in the slides, the discussion turned to other questions and comments from the group, including an email from Jason Fortik sent earlier in the week. Changes were agreed to in A1.2.1 of Western's Amendments; the suggested edit in A1.11 was not accepted.

Nick Brown opened the floor for other questions/comments on any of the documents. John McClure noted concern with whether preference customers are being treated the same across the footprint. He also requested clarification of application of the Dispute Resolution provisions. Denise Buffington referred to 4.2.2(b)(v) in the Membership Agreement to clarify that refers only to changes to Amendments, and then the need to make consistent in Bylaws as well.

With no further discussion, Nick Brown requested a motion for the Corporate Governance Committee (CGC) to accept with revisions documents for recommendation to Membership and the Board of Directors/Members Committee. Ricky Bittle moved to adopt the recommendations and Jason Fortik seconded. Approval was unanimous.

Revisions will be attached to the minutes; any comments should be directed to Joe Ghormley. These will be presented at the Special Meetings of Membership and BOD/MC on June 9.

**Adjournment**

Nick Brown thanked everyone for participating and adjourned the meeting at 4:06 p.m.

Respectfully Submitted,

Stacy Duckett, Secretary

Nominees for Human Resources Committee

TU Vacancy

Nominee	Company	Sector	State	Comments
Kevin Burke, VP of Human Resources	ITC	Transco	MI	Nominated by Kristine Schmidt. In addition to ITC, career includes time at Dow Corning, Pulte Homes, and General Mills; BA in Communications and Masters in Labor and Industrial Relations from Michigan State, and MBA from Kellogg/Northwestern

Current Roster

Noman Williams	Sunflower	Cooperative	KS
Duane Highley	AECC	Cooperative	AR
Kelly Walters	Empire District	IOU	MO

Nominees for Elections for Members Committee

Terms January 2015 - December 2017

Nominee	Company	Sector	State	Comments
Kristine Schmidt, President	ITC Great Plains	IOU	KS	Self-nominated. Currently chairing the SPCTF on new member integration process.
David Hudson, President and CEO	SPS	IOU	TX/NM	Nominated by SPS. Has served on SPP groups in the past. Various roles at SPS including strategic planning; regulatory administration; customer and community relations; BS in Industrial Engineering from Texas Tech University, and MBA from West Texas A&M University
Incumbent Phil Crissup, OGE seeks another term.				
Duane Highley, CEO	AECC	Cooperative	AR	Nominated by AECC. Currently serves on HR Committee
Jason Atwood, Vice President of Transmission and Operations	NTEC	Cooperative	TX	Prior to joining NTEC, he held positions in operations, transmission planning, market design, and marketing at Public Service Indiana, the Mid-Continent ISO, Calpine, Kelson Energy, and Ventyx; involved with SPP stakeholder process since 2001, including the Transmission WG, Operations Reliability WG, and MOPC; BS in Electrical Engineering Technology from Purdue and MBA from Indiana Wesleyan University
Gary Hurse, GM	Lea County Electric Cooperative	Cooperative	NM	BS in Industrial Engineering – Texas A&M Commerce; MBA University Phoenix; extensive career in Cooperatives, particularly in Texas (approaching 30 years); currently serves on MOPC
Incumbent Ricky Bittle, AECC nominated Duane Highley.				

Marguerite Wagner, Director, Regulatory and Transmission Services ERCOT & SPP	Boston Energy Trading and Marketing	IPP/Marketer	MA	20+ years' experience in the electric industry including generator operations, electric market design, financial transmission rights, environmental permitting and compliance, engineering project management, Renewable Energy Credits, and regulatory support for market participants and ISOs; has worked in the CAISO, ISO-NE, ERCOT, and SPP footprints; last 7 years has chaired ERCOT's Congestion Management Work Group; BS in Applied Math from University of Wisconsin, Milwaukee, an MS in Probability & Statistics from Michigan State University, and an MS in Technology and Policy/Civil Engineering from MIT
Kristy Ashley, Director, Market Development	Exelon	IPP/Marketer	TX	Currently serves as the alternate representative in the Independent Generator Segment on the ERCOT Board of Directors; has worked for the Exelon Power Team as a trader and asset manager; 17+ years of energy industry experience; serves as subject matter expert for Exelon Government Affairs and has represented Exelon on various industry panels
Incumbent Brett Kruse, Calpine is not seeking another term.				
Jon Hansen, Vice President	OPPD	State/Federal Power Agency	NE	Nominated by Mo Doghman. If elected, he will become OPPD's representative to the Membership. Currently serves on the Strategic Planning Committee
Incumbent Mo Doghman, OPPD does not seek another term.				
Incumbent Dave Osburn, OMPA seeks another term.				

**MEMBERSHIP REPRESENTATION ON SPP COMMITTEES**

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

X = Vacancies

## SPP BOARD OF DIRECTORS

	<b>TERM EXPIRES</b>
Larry Altenbaumer	2014
Phyllis Bernard	2016
Julian Brix	2016
Nick Brown	N/A
Jim Eckelberger	2015
Josh Martin	2014
Harry Skilton	2015

**Class of 2014**

Josh Martin  
Larry Altenbaumer

**Class of 2015**

Jim Eckelberger  
Harry Skilton

**Class of 2016**

Phyllis Bernard  
Julian Brix

## REGIONAL ENTITY TRUSTEES

	TERM EXPIRES
Gerry Burrows	2014
Dave Christiano	2015
John Meyer	2016

**Class of 2014**  
Gerry Burrows

**Class of 2015**  
Dave Christiano

**Class of 2016**  
John Meyer



## SPP MEMBERS COMMITTEE

SECTOR		COMPANY	TERM EXPIRES
Investor Owned Utilities	Kelly Harrison	Westar	2016
	Phil Crissup	OG+E	2014
	Mike Deggendorf	KCPL	2015
	Stuart Solomon	AEP	2016
Cooperatives	Ricky Bittle	AECC	2014
	Gary Roulet	WFEC	2015
	Noman Williams	Sunflower	2016
	Mike Wise	GSEC	2015
Municipals	Jeff Knottek	City Utilities of Springfield	2016
	Dave Osburn	OMPA	2014
IPPs/Marketers	Kevin Smith	Tenaska	2015
	Rob Janssen	Dogwood	2016
	Brett Kruse	Calpine	2014
State/Federal Agencies	Tom Kent	NPPD	2015
	Mo Doghman	OPPD	2014
Large Retail Customer	vacant		2014
Small Retail Customer	vacant		2016
Public Interest/ Alternative Power	vacant		2014
	vacant		2015

### Class of 2014

Phil Crissup  
 Ricky Bittle  
 Dave Osburn  
 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)

### Class of 2016

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

### Requested Charter Changes

Group	Requested Change	Comments
Seams Steering Committee	Attach memo with detailed duties to Charter	Recommend no attachment, but use as reference document with staff (see attachment)
Transmission WG	Requests to add a seat (TU) to take the group to 21	Recommend approval
Regional Tariff WG	Requests that Charter reflects all TOs have the option of holding a seat, then balance with TUs	Recommend approval – has been the practice, but not clearly documented in the Charter
Consolidated Balancing Authority Steering Committee	Requests to convert to a permanent Working Group reporting to Operations Reliability WG	Recommend approval – work as Steering Committee is completed, but additional support still required; considerable interaction expected with ORWG (see attachment)
Generation WG	Requests to add two seats to take the group to 10	Recommend approval

**In addition to consideration of these requests, also ask that the group discuss the process to manage charter changes going forward to facilitate efficiency.**

**Southwest Power Pool, Inc.  
SEAMS STEERING COMMITTEE**

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

**January 14, 2014**

**Updated SSC Charter**

**Organizational Roster**

The following persons are members of the Seams Steering Committee:

Paul Malone, Chairman, NPPD	Bary Warren, Empire
Roy Boyer, Xcel	Oliver Burke, Entergy
Jeff Knottek, Springfield	Jake Langthorn, OGE
Richard Ross, AEP	Chris Standifer, KCPL
Keith Tynes, East Texas	

**Background**

At the request of the Chairman of SPP's Board of Directors, the SSC developed a memorandum to SPP staff to be used as a policy guide in SPP's negotiations with its neighbors. The policy developed in the memorandum is included in the draft SSC Charter posted in the background materials.

The policy guides staff in its negotiations by providing seven principles that should be used when negotiating with SPP's neighbors. These principles are based on protecting the SPP membership from harm. The policy also provides a four-step process that SPP staff should use for SPP stakeholder engagement throughout negotiations.

The SSC reviewed and edited the memorandum at multiple meetings and approved the final version on November 5, 2013 without opposition.

**Recommendation**

The SSC recommends the MOPC approve the revised SSC Charter which includes the policy for negotiations.

<b>Approved:</b>	Seams Steering Committee	November 5, 2013
	Unopposed	

**Action Requested:** Approve Recommendation

**Southwest Power Pool, Inc.**  
**SEAMS STEERING COMMITTEE**

**Purpose**

The Seams Steering Committee (SSC) is responsible for providing direction to SPP staff regarding staff's negotiation, development, implementation, and maintenance of SPP's seams agreements, joint operating agreements, or similar agreements with SPP customers or transmission providers.

**Scope of Activities**

In consultation with SPP staff the SSC will:

1. Identify seams coordination between SPP and adjacent transmission providers caused by different processes, procedures, tariffs, or business practices in the areas of planning, tariff administration, market development/operations, and real-time operations.
2. Propose improvements to seams agreements, business practices, processes, or tariffs, along with supporting rationale, implementation costs and any tariff changes or tariff revenue impacts to mitigate seams coordination issues.
3. Review and provide guidance on SPP staff proposed improvements to existing seams agreements that have been developed or are under development between SPP staff and parties to those agreements.
4. Provide guidance for the implementation of the planning and operational components of existing Seams Agreements.
5. The SSC will provide regular updates to the MOPC on its activities and when necessary, request feedback from MOPC on issues where the SSC is unable to reach a decision.
6. Advise SPP staff in matters related to interregional coordination through representation on SPP's various Interregional Planning Stakeholder Advisory Committees (IPSAC), along with other stakeholder representatives as prescribed in SPP's Joint Operating Agreements.

**Representation**

The SSC shall be comprised of not more than 9 members including the chair and vice-chair. These members should be selected based on their experience in areas impacted by seams issues such as transmission planning, regulatory, and system operations.

**Reporting**

The SSC reports to the Market & Operations Policy Committee.

**Memorandum from the SSC to SPP Staff**  
**NEGOTIATIONS BETWEEN SPP AND SPP'S NEIGHBORS**

**November 5, 2013**

The SPP stakeholders, via the Seams Steering Committee (SSC), direct SPP staff to negotiate in good faith on behalf of the SPP region with SPP's neighbors to develop and/or enhance agreements to improve the reliable and equitable operation and planning of the transmission grid. Staff should protect the interests of the SPP membership while cooperating with SPP's neighbors to incorporate mutually beneficial procedures and policies.

**Principles**

Specifically, SPP staff negotiations should abide by the following principles:

1. All agreements must be consistent with the policies and standards of the applicable jurisdictional entity (FERC, NERC, states, etc.);
2. No provision shall put the collective SPP membership at a competitive disadvantage;
3. Ensure that SPP members are not responsible for a disproportionate share of costs associated with the management of transmission congestion;
4. Ensure that SPP members are not responsible for a disproportionate share of costs associated with transmission development;
5. Maintain consistent policies between SPP and each of SPP's neighbors while respecting regional differences;
6. Facilitate the development of transmission projects along SPP's seams; and
7. Provide for reciprocal compensation procedures for transmission system usage (including, but not limited to, usage resulting from intentional unscheduled flows) with other parties.

SPP will negotiate in good faith and in a manner that is transparent with SPP's membership. However, to protect SPP's negotiating position it is not reasonable for SPP staff to declare at open stakeholder meetings SPP's bottom line positions; however any deviation from the above principles must be discussed and approved by the SSC before being negotiated with SPP's neighbor(s).

**Process**

To guide SPP staff in negotiations with SPP neighbors, SPP members will have the opportunity to provide input and feedback throughout the negotiations. Below is the process SPP staff will follow, to the extent possible, in order to allow SPP members to provide that input and feedback.

1. Early in a negotiation, SPP staff will present to the SSC, and other appropriate stakeholder groups as recommended by the SSC, an overview of the concepts and issues being negotiated.
2. Staff will solicit feedback and policy direction from stakeholders. The direction can be in the form of a policy paper developed by the SSC, a steering team of SPP members, or less formal feedback through the SSC meetings.
3. SPP will keep the SSC updated via updates at regular SSC meetings. If necessary due to legal or strategic requirements, the updates will be made in executive session.
4. SPP will provide sufficient information, studies, and/or analysis to support these efforts as directed by the SSC.

At times negotiations take place quickly and without notice. SPP staff will make every reasonable effort to provide the SSC an opportunity to provide input and feedback throughout the negotiations.

**Southwest Power Pool, Inc.**

**SPP Balancing Authority Working Group**

**Organizational Group Scope Statement**

**April 23, 2014**

**Purpose**

The function of the SPP Balancing Working Group (BAWG) shall be the “Operating Committee” as defined in the SPP OATT Attachment AN and perform the duties in 18.4 of that Attachment. These duties include: (a) to review performance under Attachment AN; (b) to discuss issues that may arise related to such performance; (c) to review BA Operating Protocols; and, (d) if necessary or advisable, to propose amendments to Attachment AN of the SPP Tariff for the Parties’ consideration and/or vote pursuant to Attachment AN, Section 17.4.

The BAWG may also be responsible for tasks assigned from the Operations Reliability Working Group (ORWG) or other working groups, on an as-needed basis, in order to leverage the BAWG member expertise.

**Scope of Activities – BAWG:**

In carrying out its purpose, the BAWG will:

1. Oversee the implementation and maintenance of the SPP BA Operating Protocols.
2. Designate and facilitate meetings of subject matter experts to define and recommend the necessary technical details and processes between SPP and other entities necessary for effective operation of the SPP Balancing Authority.
3. Propose modifications to SPP processes and procedures to improve the operation and/or efficiency of the SPP Balancing Authority.
4. Perform studies, reviews and/or tasks that may be assigned to the BAWG by the ORWG or other working groups
5. Report periodically to the ORWG or to the MOPC.

**Representation**

The BAWG shall be comprised of a member and an alternate for each SPP BA Participant (signatory to the SPP Tariff, Attachment AN), who has authority to bind the respective SPP BA Participant.

**Duration**

The BAWG shall meet at least once each year on dates to be determined by SPP after consultation with the committee members. SPP shall facilitate such meetings and shall give reasonable written notice thereof to all Parties.

**Reporting**

The BAWG reports to the Operations Reliability Working Group (ORWG)

20140501

**Schedule for 2014 Annual Surveys**

<b>Survey</b>	<b>Launch Date</b>	<b>End Date</b>	<b>Results available</b>
Working Group	October 8	October 23	November 7
Stakeholder	October 24	November 6	December 2
BOD	October 22	November 6	December 2
Membership (for HRC)	Nov. 12	November 25	TBD

#### **8.4 Monthly Assessments**

SPP will assess certain Members described herein on a monthly basis all costs not otherwise collected. Costs recovered under the assessment will include but are not limited to all operating costs, financing costs, debt repayment, and capital expenditures associated with the performance of SPP's functions as assigned by the Board of Directors. Significant among these are costs associated with regional reliability coordination and the provision of transmission service. SPP shall determine the assessment rate based on its annual budgeted net expenditures divided by estimated annual Schedule 1 billing units for service sold under SPP's OATT and Member load eligible to take, but not taking, Network Integration Transmission Service under SPP's OATT. The Board of Directors may review the assumptions used in determining the assessment rate at any time and may adjust the assessment rate appropriately should conditions warrant. Each load-serving Member shall then be assessed the monthly assessment rate applied to its load eligible to take Network Integration Transmission Service under the SPP OATT. Further, each load-serving Member shall receive a credit against the monthly assessment for that month's Schedule 1A fees paid for Network Integration Transmission Service and for Point-to-Point Transmission Service that had a delivery point within the SPP region, under the SPP OATT.

**Need to add the "A" – inadvertently deleted.**



## SPP Bylaws Updates

### Section 5.1.1.1 *Composition*

Provided that Membership is sufficient to accommodate these provisions, the Members Committee shall consist of up to 19 persons. Four representatives shall be investor owned utilities Members; four representatives shall be cooperatives Members; two representatives shall be municipals Members (including municipal joint action agencies); three representatives shall be independent power producers/marketers Members; two representatives shall be state/federal power agencies Members; **two representatives shall be alternative power/public interest Members**; one representative shall be a large retail customer Member; defined as non-residential end-use customers with individual or aggregated loads of 1-MW or more; and one representative shall be a small retail customer Member, defined as residential customers and other customers with individual or aggregated loads of less than 1-MW. Representatives will be elected in accordance with Section 5.1.2 of these Bylaws.

#### **Definition of “alternative power”?**

#### **Add one Transco representative since added to Members Committee?**

### Section 5.1.1.2 *Qualifications*

A representative shall be an officer or employee of a Member with decision-making responsibility over SPP related activities, **and must be the Member's representative to the Membership.**

#### **Is it necessary for the nominee to be the Member’s representative for the Membership?**

## **SPP Membership Agreement, Section 1.0**

### **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.

**Delete the (c) since this section was deleted in the Integrated Systems filing and is otherwise covered in Attachment O of the tariff.**