

**Southwest Power Pool
CORPORATE GOVERNANCE COMMITTEE MEETING
January 17, 2005 Teleconference Minutes**

Agenda Item 1 – Call to Order

Nick Brown called the meeting of the Corporate Governance Committee (CGC) to order at 10:30 a.m. Other members present were Mel Perkins (OG+E), Steve Parr (KEPCo), Dave Christiano (City of Springfield), Jim Stanton (Calpine), and Jim Eckelberger (Director). SPP Staff included Stacy Duckett.

Agenda Item 2 – SPP Committee Vacancies

Stacy Duckett recommended that Grand River Dam Authority (GRDA) replace Southwestern Power Administration (SPA) as the State/Federal Power Agencies sector representative to the Members Committee and the Corporate Governance Committee. Mr. Brown also recommended that The Empire District replace SPA as a Transmission Owning sector representative on the Human Resources Committee. Steve Parr moved to accept the committee replacements as recommended. Dave Christiano seconded the motion, which passed unanimously.

Agenda Item 3 – Compliance Committee/Independent Market Monitor

Stacy Duckett reported that the Strategic Planning Committee (SPC) intends to recommend to the Board of Directors that the Independent Market Monitor report to the Board of Directors through the Compliance Committee. Mr. Brown recommended that the Corporate Governance Committee concur and jointly recommend this proposal to the Board of Directors. Mel Perkins moved to jointly recommend the Independent Market Monitor reporting structure to the Board. Steve Parr seconded the motion, which passed unanimously.

Agenda Item 4 – Board of Directors

Nick Brown provided background regarding voting by secret ballot. Following discussion of voting options, the committee decided that the Board of Directors must initiate and direct the Corporate Governance Committee to examine other voting processes prior to considering any action. Mr. Brown will discuss this issue with Jim Eckelberger for further consideration.

Mr. Brown provided background regarding current levels of director compensation. The committee determined compensation should be discussed based on results of the salary survey.

Mr. Brown provided background regarding the requirement that this committee provide an annual review of the performance of the Board of Directors. An annual review needs to be discussed and provided as required by the SPP Bylaws. Jim Eckelberger added that the Board of Directors would like to meet with the Corporate Governance Committee, preferably at the April Board of Directors meeting, to consider voting/interaction with the Members Committee. SPP Staff will schedule a joint meeting.

Agenda Item 5 – RSC/SPP Interface

RSC/SPP interface was discussed at the Strategic Planning Committee meeting January 13, 2005 at which all Corporate Governance Committee members were present. There was no additional discussion.

Agenda Item 6 – Future Meetings

The next Corporate Governance Committee meeting will be in conjunction with the April Board of Directors meeting. Date and time to be announced.

Adjournment

Nick Brown thanked everyone for participating and adjourned the meeting at 10:55 a.m.

Respectively submitted,

Stacy Duckett