

**Southwest Power Pool
COMPLIANCE COMMITTEE MEETING**

January 24, 2005

Sam's Town Casino Hotel and Convention Center – Shreveport, LA

• M I N U T E S •

Agenda Item 1 – Administrative Items

Chair Josh Martin called the meeting to order at 3:30 p.m. The following members were in attendance or represented by proxy: Phyllis Bernard and Quentin Jackson. SPP Staff in attendance included Nick Brown and Stacy Duckett.

Agenda Item 2 – Committee Scope Document

Nick Brown provided background on the Compliance Committee including its purpose and history. The committee discussed a draft scope statement (Attachment). The group concurred to recommend the scope document to the Board of Directors as drafted.

Agenda Item 3 – Meeting Schedule

A future meeting schedule was discussed. At this time the committee will meet as needed or at least on an annual basis. It is probable that the group will meet for informational purposes with the Independent Market Monitor and Manager, Compliance.

Agenda Item 4 – Education/Needs/Opportunities

Other items that may need to be addressed are: 1) IMM documents; 2) other regions' market monitoring units; and 3) the NERC compliance/audit processes.

Adjournment

With no other business, the meeting adjourned at 4:30.

Respectively submitted,

Stacy Duckett



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• A G E N D A •

3:00 p.m. central

1. Call to Order..... Josh Martin
2. Committee Scope Document Josh Martin
3. Meeting Schedule Josh Martin



Southwest Power Pool, Inc.
COMPLIANCE COMMITTEE
Organizational Group Scope Statement
January 24, 2005

Purpose

The Compliance Committee exists for the purpose of assuring compliance by SPP staff, members, and customers with all SPP and NERC policies, market protocols, standards, and criteria. The SPP Compliance Manager (responsible for NERC compliance) will report to this committee. The Independent Market Monitor (IMM) will report to this committee.

Scope of Activities

The responsibilities of the Compliance Committee shall include:

- a. Oversee the process of monitoring compliance to SPP and NERC operating policies;
- b. Independently review activities of the Staff as they relate to compliance with operating policies and Criteria;
- c. Hear and rule on appeals from Members regarding penalty assessment or fine distribution prior to dispute resolution proceedings;
- d. Recommend Criteria changes necessary for enforcement of mandatory compliance and in response to unclear enforcement provisions of Criteria;
- e. Grant specific additional authority to the Staff responsible for the compliance monitoring function when needed to perform challenging investigations;
- f. Review engagements of the IMM for conflicts of interest;
- g. Recommend market protocol changes necessary to assure market power mitigation, and open and competitive market operations;
- h. Complete a self-assessment annually to determine how effectively the committee is meeting its responsibilities; and
- i. Perform such other functions as the Board of Directors may delegate or direct.

Representation

The Compliance Committee shall be comprised of three members from the Board of Directors.



Duration

The Compliance Committee will exist until such time as the Board of Directors determines otherwise.

Reporting

The Compliance Committee reports to the Board of Directors.