



**Southwest Power Pool
REGIONAL STATE COMMITTEE
Teleconference
July 11, 2005**

• M I N U T E S •

Administrative Items

Members in attendance or represented by proxy were:

- Denise Bode, Oklahoma Corporation Commission (OCC)
- Sandra Hochstetter, Arkansas Public Service Commission (APSC)
- Brian Moline, Kansas Corporation Commission (KCC)
- Julie Parsley, by proxy Adrainne Brandt, Texas Public Utility Commission (TPUC)
- Steve Gaw, Missouri Public Service Commission (MPSC)

Others in attendance:

- Richard House, Arkansas Public Service Commission
- Mike Peters, Kansas Corporation Commission
- Larry Holloway, Kansas Corporation Commission
- Tom DeBaun, Kansas Corporation Commission
- Joyce Davidson, Oklahoma Corporation Commission
- Bridget Headrick, Texas Public Utility Commission
- David Fleischaker, Secretary of Energy (Oklahoma)
- Dennis Reed, Westar
- Bary Warren, Empire District
- Steve Owens, Entergy
- John Gunesch, OG&E
- Walter Wolf, Stone, Pigman
- Collin Wolf, Boston Pacific
- Gene Anderson, OMPA
- Robin Kittel, Xcel
- Michael Desselle, AEP
- Raksha Krishna, EEI
- Walt Shumate, EEI
- Bruce Rew, SPP
- Les Dillahunty, SPP
- Cheryl Robertson, SPP
- John Rogers, Federal Energy Regulatory Commission

President Bode called the meeting to order at 10:02 AM CDT. Bridget Headrick called roll and a quorum was declared. President Bode asked for adoption of the June 22, 2005 meeting minutes. These minutes have been distributed but there has not been enough time for review. They will be presented for approval at the July 27, 2005 meeting.

Updates:

John Rogers (FERC) reported that: 1) the President had appointed Commissioner Joseph Kelliher as the new FERC chairman, 2) an Entergy ICT Technical Conference was held in New Orleans on June 29 and 30, and 3) FERC is interested in the recent passage of the new energy bill. When asked about current and future discussions, Mr. Rogers stated that the new chair will be interest in enhancements to Order 888.

Les Dillahunty (SPP) stated that there will be a hearing at FERC on Tuesday and Wednesday, July 19 and 20, dealing with Calpine's request for reactive compensation. The SPP Markets and Operations Policy Committee (MOPC) is meeting in Tulsa on Tuesday and Wednesday and the Strategic Planning Committee (SPC) on Thursday.

Business Meeting:

President Bode called on Mike Proctor for a report from the Cost Allocation Working Group (CAWG) concerning the transmission definition recently adopted by the SPP Regional Tariff Working Group (RTWG). Dr. Proctor provided a brief review of the transmission definition that will be presented to the MOPC this week. The issue is focused on radial facilities. One core principal of the proposed transmission definition is the inclusion of all radial lines above 60KV serving two or more customers.

Dr. Proctor asked for reports of companies performing an analysis as to the rate impact of this compromise definition. Dennis Reed (Westar) stated that the compromise would show slight changes in cost. Bary Warren (Empire) stated that their company showed an overall increase in wholesale transmission rates of less than 1%. John Gunesch (OG&E) said there would be very little effect on retail customers and the wholesale customers would see no change due to the fact they are under bundled contracts. Michael Desselle (AEP) stated that analysis of a proposal to include all radials showed an 11% increase for wholesale customers and with the compromise definition it would be lower than 11% but he was not sure how much. Mr. Dillahunty explained the FERC deadline for filing a definition of transmission was July 31, 2005; the demonstrated need for consistency in a definition; and the specific request from the MOPC to secure RSC input on this topic. While no vote was taken, and those on the RSC were clear that the opinions offered were their own only and not an official position, each state represented supported the definition that had been developed through the SPP stakeholder process.

President Bode inquired about comments to FERC on long-term transmission rights. Steve Gaw reported that comments were filed and distributed.

Steve Gaw asked that discussion on the latest FERC order on the Organization of Midwest ISO States (OMS) and the question of confidentiality be included on the next RSC's meeting agenda. Commissioner Gaw said that he was concerned about state involvement. President Bode state that Nick Brown had promised in the June meeting that he would provide a report on specific details on the OMS decision and its impact on the RSC. Michael Desselle, Chair of the Non-Disclosure Task Force, stated that this issue would be discussed at the SPC meeting on Thursday. Mr. Desselle expects a compromise effort that the SPP staff, RSC, and SPC are comfortable with. The SPC dial-in information will be distributed to the RSC prior to that meeting. There will be a broader discussion of this topic at the July 27 RSC meeting.

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Scheduling of Next Regular Meeting, Special Meetings or Events:

President Bode noted that the next regular scheduled RSC meeting is in Austin on July 27 in conjunction with the NARUC meeting. The SPP Board of Directors will be meeting on July 26 in Tulsa. A room will be available in Austin to join the SPP Board of Directors meeting via teleconference.

With no further business, the meeting was adjourned.

Respectfully submitted,

Julie Parsley, Secretary