

**Southwest Power Pool**  
**COMPLIANCE COMMITTEE MEETING**  
**December 11, 2006**  
**DWF Airport Hyatt, Dallas, Texas**

• M I N U T E S •

**Agenda Item 1 – Administrative Items**

SPP Chair Josh Martin called the meeting to order at 2:20 p.m. The following members were in attendance: Josh Martin (Director), Phyllis Bernard (Director), and Quentin Jackson (Director). Staff in attendance included Stacy Duckett. Guests included Ron Ciesiel and Richard Dillon (SPP); Craig Roach (Boston Pacific); and Richard Ross (AEP). Richard Ross asked to attend the meeting. The agenda was adjusted to move confidential items to later in the meeting.

Mr. Martin referred to the draft minutes of the September 28, 2006 meeting and asked for corrections or a motion for approval (9/28/06 Meeting Minutes – Attachment 1). Quentin Jackson moved to approve the minutes as presented. Phyllis Bernard seconded the motion, which passed unopposed.

**Agenda Item 2 – ERO/RE Update**

Stacy Duckett stated that NERC has filed individual Regional Entity (RE) Delegation Agreements; all docketed separately. Each entity will file to be a party in other dockets.

Ron Ciesiel announced that March 2, 2007 is the deadline to register entities. It is anticipated that REs will be approved by April 1 and RE services implemented June 1. The Compliance Program will be published with an effective date of January 1, 2007 through the RE implementation anticipated date of June 1, 2007. The RE program outline is expected to be ready for a February 2007 workshop with another workshop scheduled before the RE implementation to assure clarity/understanding since sanctions go into effect on Day 1, and training for those organizational groups that will hear appeals. Effective Day 1, the SPP Compliance Department may no longer serve as liaison/advisor to SPP or members on compliance matters and will handle enforcement only. Michael Desselle will be recommending how this transition is managed.

**Agenda Item 4 – Update on Current Activities**

**Compliance Department**

Ron Ciesiel provided an update on the entity registration process. The focus is now on municipals. It is expected that 125 entities will register from the SPP footprint. Mr. Ciesiel also reviewed other audit and field activities. Refer to the activity report for other items of interest (Compliance Department Report – Attachment 2).

**Market Monitoring Unit**

Richard Dillon provided the Market Monitoring Unit Report (MMU Report – Attachment 3). He advised the group of new hires since the last meeting; two positions remain open. Mr. Dillon reviewed an issue that Les Dillahunty pointed out related to over-reservations of non-firm service and its impact on access to the grid. The MMU is working with the Business Practices Working Group to address this. The FERC reports are complete, except for the Uplift Report which is being prepared by Settlements. Mr. Dillon also provided draft reports, seeking feedback for committee on level of detail. Sample FERC reports were provided.

Compliance Committee Meeting  
December 11, 2006

External Market Monitor

Craig Roach provided an update on Boston Pacific's activities since the last meeting (EMM Report – Attachment 4). Most of the time has been spent on the LIP Volatility project requested to support market implementation.

Ron Ciesiel advised the committee on the intent to retain the same vendor for auditing assistance. The contract is by audit and with Mr. Ciesiel's signature authority. The committee supports this decision.

Mr. Roach reviewed the status of Boston Pacific invoices through November 2006.

**Agenda Item 3– External Market Monitoring Report**

Craig Roach and Stacy Duckett presented the proposal for the External Marketing Advisor's role in 2007. Points of clarification following discussion were:

- a. Timing of State of the Market Report, which is due May 31, but may be adjusted if the Market start is adjusted from February 1
- b. Meeting Attendance – all Board and, Compliance Committee meetings; working groups when invited or with approval of staff (based on whether policy issues are on the agenda)
- c. Budget – adjust hours and/or expenses to accommodate meeting attendance

**Agenda Item 5 – Organizational Effectiveness Survey Results**

Stacy Duckett reviewed the survey process and the results of the Compliance Committee's survey (Organizational Effectiveness Survey – Attachment 5). The group will consider survey results and comments and will discuss them at the next meeting.

With no further business, Josh Martin thanked everyone for participating and adjourned the meeting to executive session.

**Executive Session**

Boston Pacific will be engaged for 2007 as the External Market Advisor subject to the stated budget cap.

The executive session adjourned at 4:45 p.m.

Respectfully Submitted,

Stacy Duckett  
Secretary



Southwest Power Pool, Inc.  
**COMPLIANCE COMMITTEE MEETING**  
December 11, 2006  
DFW Airport Hyatt, Dallas, TX

• **A G E N D A** •

1:00 – 5:00 p.m. CST

- 1. Administrative Items ..... Josh Martin
- 2. ERO/RE Update ..... Stacy Duckett/Ron Ciesiel
- 3. External Market Monitor/2007 ..... Stacy Duckett
- 4. Update on Current Activities
  - a. NERC Compliance..... Ron Ciesiel
  - b. Market Monitoring Unit..... Richard Dillon
  - c. External Market Monitor.....Craig Roach
- 5. Organizational Effectiveness Survey Results..... Stacy Duckett
- 6. Future Meetings ..... Josh Martin

Schedule for 2007:

|              |                 |
|--------------|-----------------|
| March 29     | Washington D.C. |
| June 28      | Philadelphia    |
| September 27 | Chicago         |
| December TBD |                 |

Schedule for 2008:

|              |                 |
|--------------|-----------------|
| March 27     | Washington D.C. |
| June 26      | Philadelphia    |
| September 25 | Chicago         |
| December TBD |                 |

**Southwest Power Pool**  
**COMPLIANCE COMMITTEE MEETING**  
**September 28, 2006**  
**Sheraton Grand Hotel DFW, Dallas, Texas**

• M I N U T E S •

**Agenda Item 1 – Administrative Items**

SPP Chair Josh Martin called the meeting to order at 10:10 a.m. The following members were in attendance: Josh Martin (Director), Phyllis Bernard (Director), and Quentin Jackson (Director). Staff in attendance included Stacy Duckett. Guests included Ron Ciesiel and Richard Dillon (SPP) and Craig Roach (Boston Pacific).

Mr. Martin referred to the draft minutes of the June 29, 2006 meeting and asked for corrections or a motion for approval (6/29/06 Meeting Minutes – Attachment 1). Quentin Jackson moved to approve the minutes as presented. Phyllis Bernard seconded the motion, which passed unopposed.

**Agenda Item 2 – Update on Current Activities**

**Compliance Department**

Ron Ciesiel reviewed the Compliance Department activity report (Compliance Department Report – Attachment 2). The report focused on the status of regional entity registration to meet the new FERC/ERO requirements. There are 95 registered entities to date with others pending. The department is working with the American Public Power Association (APPA) to facilitate the flow of information since many of the pending entities are APPA members.

The committee discussed the confirmed violations reported to NERC during the reporting period. Mr. Ciesiel discussed the determination of levels of violations.

Mr. Ciesiel updated the committee on the Compliance Enforcement Program exhibit for the Regional Entity Delegation Agreement. The latest draft from NERC is still pending. The group discussed the current proposal for an extensive hearing/appeal process. Mr. Ciesiel is to review the Western Electricity Coordinating Council's (WECC) FERC approved process to consider whether SPP may want to adopt this process. He will also seek sources for costs associated with this more extensive process. Mr. Ciesiel will update the committee as more information is available.

SPP will host a Compliance Workshop in Tulsa, October 31 - November 1 focused on the ERO/RE issue and cyber security standards.

**Market Monitoring Unit**

Richard Dillon reviewed the market monitoring activity report (MMU Report – Attachment 3). The MMU staffing is proceeding and will be fully staffed if two pending offers are accepted. One position remains open in the market design group.

The MMU and EMM have been reviewing issues related to unused non-firm network service reservations. There is no Tariff violation at issue, but this is not an optimal practice since it indirectly constrains the system. A recommendation to resolve this issue will be presented to the Regional Transmission Working Group (RTWG) when ready. Mr. Dillon updated the committee on recent reorganization efforts at FERC meant to better facilitate information exchanges within regions.

External Market Monitor

Craig Roach reviewed the External Market Monitor activity report (EMM Report – Attachment 4). He focused on the recent filings/orders related to the offer cap issue.

Boston Pacific met with the new FERC staff to brief them on SPP's monitoring approach and overview of the market design.

Mr. Roach discussed the reporting abilities using the Decision Support System. These reports include those required by FERC as well as those recommended by the EMM and/or MMU.

Mr. Roach reviewed the quarterly budget report. The group briefly discussed the market status.

The committee asked Mr. Roach to walk through the slides Boston Pacific used in a presentation to FERC.

**Agenda Item 3 – ERO/RE Entity Registration**

This item was covered under Item 2a.

**Agenda Item 4 – ERO Compliance Enforcement Program**

This item was covered under Item 2a.

**Agenda Item 5 – Market Monitoring Report**

Richard Dillon reviewed a listing of reports that Market Monitoring is required to produce (MMU Reports – Attachment 5). He provided samples of some reports for the committee's reference.

**Agenda Item 6 – EMM Services Agreement for 2007**

Craig Roach reviewed the proposal for Boston Pacific's services in 2007, including a cap for expenditures. The committee will discuss and provide feedback.

**Agenda Item 7 – Future Meetings**

Josh Martin reviewed the schedule for future meetings:

December 11..... Dallas, Texas

Schedule for 2007:

March 29 .....Washington D.C.

June 28 ..... Philadelphia

September 27.....Chicago

December TBD

Schedule for 2008:

March 27 .....Washington D.C.

June 26 ..... Philadelphia

September 25.....Chicago

December TBD

Compliance Committee Meeting  
September 28, 2006

With no further business, Josh Martin thanked everyone for participating and adjourned the meeting at 2:30 p.m. to executive session.

**Executive Session**

Staff has been directed to develop a proposal for external market monitoring services for 2007 for the committee's consideration, followed by discussion and negotiation with Boston Pacific.

The executive session adjourned at 4:15 p.m.

Respectfully Submitted,

Stacy Duckett  
Secretary



**Southwest Power Pool, Inc.**

**COMPLIANCE DEPARTMENT**

**Report to the Compliance Committee**

**December 11, 2006**

**Entity Registration**

The entity registration program now stands at 100 registered entities [versus 95 from the last report]. SPP has contacted an additional 40 entities that have not responded to the registration request. The final registration parameters and timelines have been received from NERC. The Compliance Group will make another set of contacts during December and January in order to meet the March 2007 deadline set by NERC. SPP will present to the Missouri Municipal Conference in December plus see Future Activities listed below for other presentations scheduled to boost the registration efforts.

**2006 NERC Readiness Audits**

SPP completed the following Readiness Audits since the last report:

|   |                                      |
|---|--------------------------------------|
| Southwestern Power Administration             | Report Issued (No compliance issues) |
| XCEL Energy (dba Southwestern Public Service) | Report Pending                       |
| Empire District                               | Report Pending                       |
| SPP Independent Coordinator of Transmission   | Report Issued (No compliance issues) |

There is one remaining NERC Readiness Audit scheduled in 2006 (Week of December 11<sup>th</sup>)

**2006 SPP Field Reviews**

SPP completed the following Compliance Field Reviews since the last report:

|                             |   |
|-----------------------------|---|
| Midwest Energy              | Final Report completed (One compliance issue noted) |
| Missouri Public Service     | Final Report completed (No compliance issues)       |
| SPP Reliability Coordinator | Report Pending                                      |
| Sunflower Electric          | Report Pending                                      |
| Midwest ISO                 | Report Pending                                      |

**Confirmed Violations**

The following 'confirmed violations' have been reported to NERC since the last report:

|                            |                 |  |
|----------------------------|-----------------|--|
| Western Farmers            | EOP-005 Level 2 | System Restoration Plans                       |
| Western Farmers            | EOP-008 Level 3 | Plans for Loss of Control Center Functionality |
| Western Farmers            | PRC-007 Level 1 | UFLS Program                                   |
| Missouri Public Service    | PRC-007 Level 4 | UFLS Program                                   |
| City of Clarksdale, MS     | PRC-007 Level 1 | UFLS Program                                   |
| Tex-La Elec. Coop          | PRC-007 Level 1 | UFLS Program                                   |
| Northeast Texas Elec. Coop | PRC-007 Level 1 | UFLS Program                                   |



|                           |                 |              |
|---------------------------|-----------------|--------------|
| East Texas Elec. Coop     | PRC-007 Level 1 | UFLS Program |
| Board of Public Utilities | PRC-007 Level 3 | UFLS Program |
| Grand River Dam Authority | PRC-007 Level 1 | UFLS Program |

**Appeal of Compliance Findings**

LEPA has filed an appeal of a compliance finding for standard PRC-007 [Under-frequency Load Shedding]. The basis of the appeal is that LEPA is not responsible for participating in the UFLS program based on the contractual structure with its members. This issue is being forwarded to the SPP System Protection and Control Working Group for review.

**SPP Fall Compliance Workshop**

SPP sponsored a fall compliance workshop in Tulsa, October 30-Nov1. The workshop was well attended with half of the crowd consisting of new companies to SPP. There was large volume of material presented to the attendees. The crowd was attentive and asked inquisitive questions. There have been several follow-up conversations with attendees, especially non-members. We feel the workshop was a success with our members and the new entities that attended.

**ERO Delegation Agreement – Exhibit D – Compliance Enforcement Program**

SPP filed an ERO Delegation Agreement with NERC on November 17<sup>th</sup> that included Exhibit D concerning the SPP Compliance Program. SPP took no exceptions to the NERC Pro-Forma Compliance document.

**Future Activities**

- SPP is sponsoring a Compliance Rollout workshop in February to present the 2007 Compliance Program.
- SPP is presenting at a Southwestern Power Administration conference during the first quarter of next year.
- SPP is presenting at a Louisiana Energy & Power Authority conference during the first quarter of next year.
- 2006 compliance data is being compiled for reports to SPP committees and NERC.
- The 2007 Compliance Program document will be submitted to NERC by December 22<sup>nd</sup>. This submittal will cover the period of 1-1-07 until the beginning of the Regional Entity authority [expected 6-1-07]. A second program document is being prepared for the period of 6-1-07 to 12-31-07.

**Compliance Group Budget Report**

The Compliance Group budget expenditures stand at 100.7% of budget through October. Based on expenses submitted in November and the present December travel schedule, the year-end expectation is approximately 101% of the approved budget.

**Individual Activities**

Ron Ciesiel ended his tenure as the Chairman of the NERC Compliance Managers Committee. The Committee was disbanded under the new rules of the NERC ERO but will continue to meet periodically to discuss activities at the regional level.

Respectfully submitted:

Ronald W. Ciesiel  
Compliance Director  
December 4, 2006





Southwest Power Pool, Inc.

MARKET MONITOR

Report to the Compliance Committee

December 11, 2006

**Staffing**

The Market Development and Analysis currently has two open positions: one entry level engineer, supporting Market Monitor (MM) and design, and one for market design. We continue to review resumes and conduct interviewing for the engineering position. The market design position requires very specialized skills and experiences.

**Activity Update**

**Inquiries** - There have been no new Transmission complaints since the September meeting and there are no outstanding complaints. MM has been working with the SPP operations staff and the Business Practices Working Group (BPWG) to mitigate the over-reservation of the Transmission grid in non-firm network service. Historically, the usage of non-firm network has averaged approximately 20% across SPP for schedules versus reservations, with a high of 110% of schedules versus peak load. This has the potential of precluding customers from purchasing reservations to transact business.

**Infrastructure** - The mini-data warehouse established for MM usage has been pressed into service to support real-time situational analysis for both the Market Operations and Reliability Operations activities. MM staff continues to develop a data mapping scheme for all SPP data and has had discussions with Information Technology (IT) staff about transferring this activity (and a future data warehouse) to IT. Analysis requests continue to be supported coming from FERC, SPP Operations, and Market Participants. MM staff is fully functional on a 24/7 basis with beepers and laptops and remote access to all systems for evaluation. MM is currently implementing the change in Offer Caps due to the FERC Order.

**Reports** - All FERC reports have been designed and implemented with the exception of the Congestion Resolution report (waiting on data views). The Uplift Report has been eliminated due to there being a duplication of effort by Settlements department. Further review of the FERC Order by SPP has resulted in removal of the "Supply Adequacy" report for FERC since the reporting is only for an actual reliability event. MM continues to refine these reports while working on development of non-FERC report metrics (including the work on the "Supply Adequacy" report) for MM operational implementation.

**Market Trials** - MM staff also supported Metrics Task Force review of LIPs, Business Continuity, and evaluation of LIP volatility. Analysis Support (MM engineering) has provided significant evaluations of Market Trial results and validated pricing and operational results. This has significantly enhanced Market Participant confidence in SPP market systems and resulted in additional training of staff.

Respectfully submitted,

Richard Dillon  
Director, Market Development and Analysis

Network Integration Transmission Service (NITS)  
Assess and Address Reservations Non-Use  
Status Report - 1 December 2006

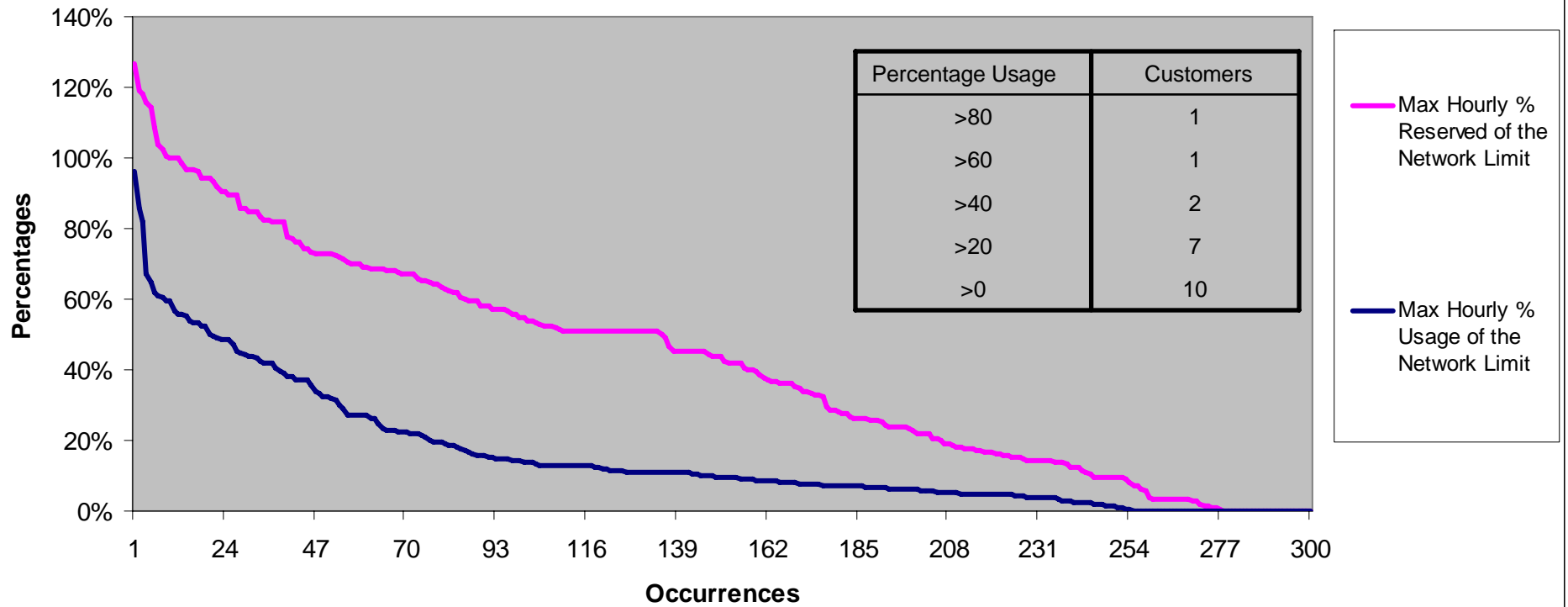
On October 5, 2006 the Market Monitoring Unit (MMU) presented initial findings to the Business Practice Working Group (BPWG) concerning transmission reservations and use of Network Integration Transmission Service (NITS) customers. Initial assessments were that non-firm network transmission usage in SPP is on average under 20%. The MMU could find no evidence of deliberate abuse, but the potential is there under existing business practices guidelines. Several alternative rules were presented but the BPWG concluded that more specific data was needed.

On November 15, 2006 the MMU presented the data that the BPWG requested. The data was given in SPP NITS footprint totals to protect confidential information. The MMU also presented individual customer observations that were normalized to their existing non-firm network limit. The consensus among the BPWG was that more information was needed to determine how many customers would be affected by any business practice changes.

On November 28, 2006 the MMU presented the customer totals to the BPWG. A new business practice concept was developed. The BPWG asked the MMU to expand and write up a proposed business practice. The initial business practice developed is as follows:

*All NITS customers will be allowed to reserve 20% of their designated firm capacity with a minimum of the lesser of 100 MW or 110% of their designated firm capacity on a non-firm basis. In the event that a NITS customer's average of the 4 highest daily peak hours usage for the rolling 12 month period (Average Peak Usage) is greater than 20% of their designated firm capacity, they may only reserve the lesser of 110% of their designated firm capacity or 150% of their Average Peak Usage on a non-firm basis. New NITS customers may reserve 110% of their designated firm capacity for the first 12 months of membership until a 12 month usage pattern can be established. Exceptions to this will be granted on a case by case basis and will be reported to Market Monitoring for review. Per the SPP OATT, a network customer's use of the interface capacity with other transmission systems may not exceed the network customer's load*

### Max Hourly % Usage and Reserved of the Network Limit for September 2006



## Market Monitoring Reports

5-Dec-06

| <u>MMR #</u> | <u>Description</u>                          | <u>Priority</u> | <u>Disposition</u>   | <u>Source</u>   | <u>First Use</u> | <u>Reporting Frequency</u> |
|--------------|---|-----------------|--|-----------------|------------------|----------------------------|
| 001          | Supply Adequacy Analysis                    | 3               | Removed from FERC list; continuing to develop as an internal market assessment | Market Tracking | 15-Mar           | Monthly                    |
| 002          | Over/Under scheduling relative to MP load   | 1               | Complete   | FERC C55        | 15-Mar           | Monthly                    |
| 003          | Depth of EIS market                         | 1               | Complete   | FERC C72        | 15-Mar           | Monthly                    |
| 004          | Uplift                                      | NA              | Not a Market Monitoring report, Settlements responsibility                     | FERC C128       | NA               | Monthly                    |
| 005          | Market incentives for investment            | 4               | Annual   | FERC C135       | 4/1/07           | Once                       |
| 006          | Strategic bidding                           | 1               | Complete   | FERC C174       | 2-Feb            | Daily                      |
| 007          | Consolidated Settlement Location Study      | 4               | Annual   | FERC C117       | 4/1/07           | Once                       |
| 008          | Demand Response Study                       | 4               | Annual   | FERC C229       | 4/1/07           | Once                       |
| 009          | Offer Curve to Marginal cost comparison     | 2               | Complete   | Market Startup  | 2-Feb            | Daily                      |
| 010          | Market Clearing Proxy                       | 2               | Design Phase   | Market Startup  | 2-Feb            | Daily                      |
| 011          | Variance in LIP                             | 2               | Complete - Deployment Test Analysis  | Market Startup  | 2-Feb            | Daily                      |
| 012          | Offer Caps                                  | 2               | Design Phase   | Market Startup  | 2-Feb            | Monthly                    |
| 013          | Reserve Sharing Events                      | 3               | Design complete, working on build phase  | MWG             | 15-Mar           | Monthly                    |
| 014          | Firm Reservation Use                        | 3               | Analysis   | MWG             | On-going         | Once                       |
| 015          | Calibration Impact                          | 4               | Data Identification Complete   | FERC C117       | 9/1/07           | Once                       |
| 016          | Generation Capacity Usage                   | 4               | Hold   | Market Analysis |                  |                            |
| 017          | Schedules by Resources                      | 4               | Hold   | Market Analysis |                  |                            |
| 018          | Outages and Derate                          | 4               | New data interface build and tested, designing analysis                        | Market Analysis |                  |                            |
| 019          | Congestion Resolution                       | 1               | Build Phase  | FERC C72        | 15-Dec           | Monthly                    |
| 020          | Start Up Metrics                            | 2               | Assigned to EMA  | Market Startup  | 2-Feb            | Daily                      |
| 021          | Strategic Bidding with Affiliated Resources | 2               | Complete   | Market Startup  | 2-Feb            | Daily                      |

Report from FERC Order

**SPP, INC.**  
**COMPLIANCE COMMITTEE MEETING**  
**DECEMBER 11, 2006**

**SUMMARY OF EMM ACTIVITY**  
**SINCE LAST MEETING ON SEPTEMBER 28, 2006**

**A. DIAGNOSED LIP VOLATILITY**

1. Researched and analyzed deployment test results.
2. Wrote a report diagnosing the reasons for LIP volatility and recommending changes to mitigate volatility.
3. Conducted calls with market participants and SPP Staff to get feedback on the scope of the report and our findings.
4. Presented our findings at the Board meeting on October 24, 2006.

**B. WORK WITH MMU TO DEVELOP REPORTS REQUIRED BY FERC AND BROADER REPORTS**

5. FERC required reports on depth of market, resolution of congestion, strategic bidding, etc.
6. Provided feedback and assistance to SPP Staff regarding the status and presentation of these reports to the MWG. Also participated in follow-up call on work plan going forward.

**C. ADVISE DEPARTMENT OF JUSTICE**

7. As EMM, asked by Department of Justice to provide background on transmission congestion as it related to Aquila's proposed acquisition of the Aries power plant.

**D. ADVISE ON MARKET DESIGN**

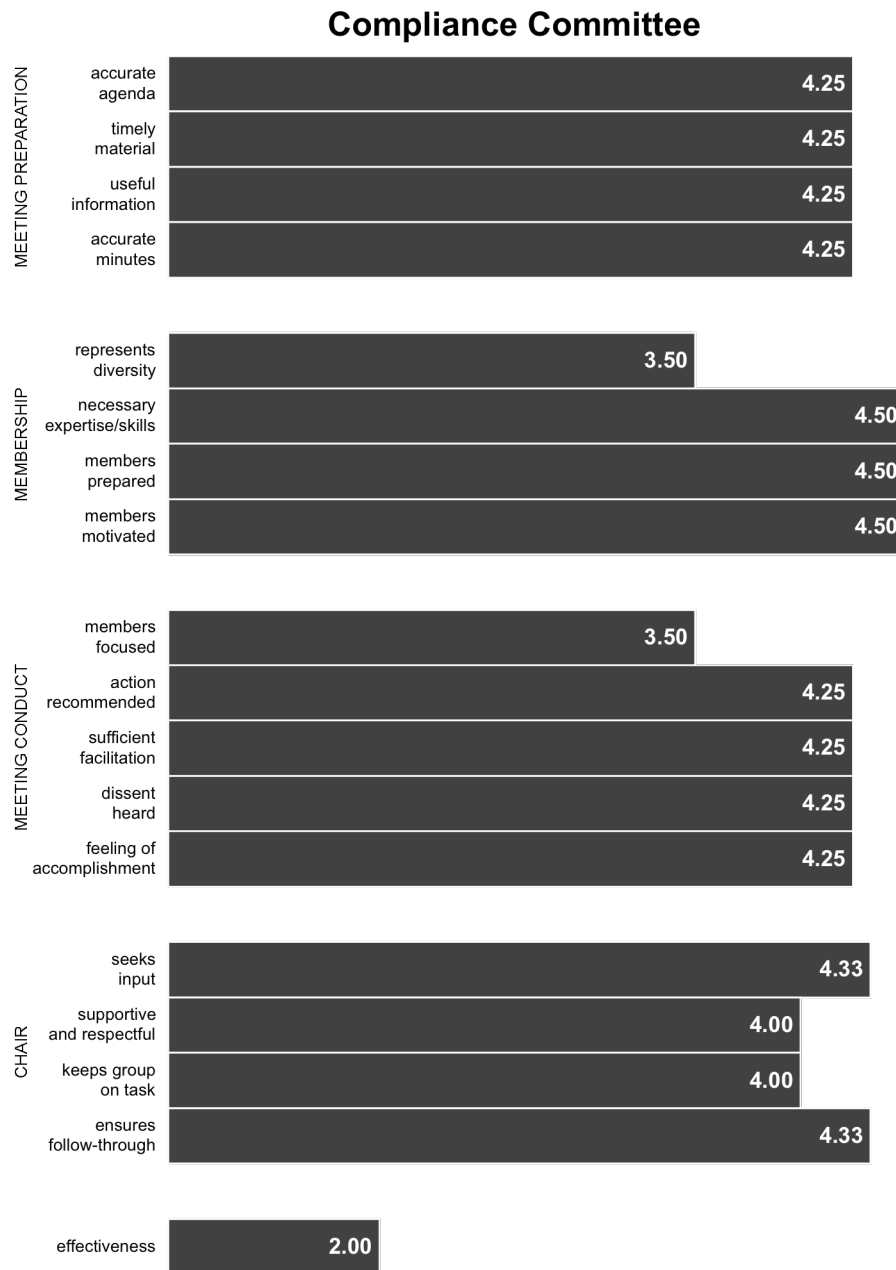
8. Participated in MWG phone calls and meetings and some MOPC phone calls and meetings.
9. Monitored results of all deployment tests to assess the causes of LIP price extremes (including the effects of Violation Relaxation Limits).

**E. ADVISE BOARD AS REQUESTED**

10. Advised Board through participation in Board meeting on September 29, 2006 and October 24, 2006.

Detailed Findings by Committee/Working Group

Chart I: Compliance Committee



# of responses = 3

Within the Compliance Committee, the mean score for the group's aggregate ratings (except for the "effectiveness" rating, which will be considered later) is 4.19 on the scale of 1 to 5. This translates as an overall rating of agree to strongly agree with the favorable assessments offered for respondents' consideration. Scores that are more than one standard deviation above or below that mean are considered meaningful for our purposes. This draws our attention to the 3.5 average rating for "Members are focused during discussion," for which the group gave a collective rating of midway between neutral and "agree." For the items "The group's membership has the necessary expertise and/or skills to accomplish its goals," "Organizational group members come prepared to the meetings," and "Organizational group members are motivated to participate and accomplish the group's goals," the scores are also meaningful – on the positive side, with a score at the midpoint between "agree" and "strongly agree." Respondents feel the Compliance Committee excels in these areas.

The Compliance Committee, overall, was most satisfied with Meeting Preparation and Membership attributes (4.25 for each group), and least satisfied with Meeting Conduct attributes (4.10).

Following are the responses to the prompt for suggestions for improvement:

- Continued education of the members – dealing with diverse and often complex issues. Further clarity regarding third-party service provider role(s).
- Crisp presentations by staff members. Clarity about RE/ERO status. More detail in advance on actual reliability surveys and initiatives.

SPP Organizational Group Self-Evaluation/Assessment  
(2006)

**GROUP NAME: Compliance Committee**

**CHARTER/SCOPE UPDATE:** Attached Charter/Scope has been reviewed: **See Bylaws**

**MEMBER ROSTER/ATTENDANCE:**

| Member              | Company  | # Present | # Absent |
|---------------------|----------|-----------|----------|
| Martin, Josh        | Director | 5         | 0        |
| Bernard, Phyllis E. | Director | 5         | 0        |
| Jackson, Quentin    | Director | 5         | 0        |
| Duckett, Stacy      | Director | 5         | 0        |

**AVERAGE OVERALL ATTENDANCE (INCLUDING NON-GROUP MEMBERS):**   5  

**MEETINGS HELD TO DATE:**     **Live**   3     **Teleconference**   2  

**AVERAGE LENGTH OF MEETINGS:**   4   HOURS

**NUMBER OF VOTES TAKEN:**   12  

**\*MEETING COST(S):** **\$25,313**

**MAJOR ACCOMPLISHMENTS/ISSUES ADDRESSED BY THE GROUP:**

- 1. Approved Compliance Exclusion process**
- 2. Developed and received approval for an appeals process**
- 3. Developed and received approval for a market inquiries process**
- 4. Participated in development of curriculum for staff training on conflict resolution**

**MAJOR PENDING ISSUES BEFORE THE GROUP:**

- 1. Evolution of market monitoring approach**
- 2. Continued focus on member compliance with NERC standards**

\* Meeting costs include hotel expenses (room rental, A/V, food and beverage), estimate of teleconference expenses, and Director fees for attendance.