

**Southwest Power Pool, Inc.
OVERSIGHT COMMITTEE MEETING**

April 23, 2018

Intercontinental at the Plaza, Kansas City, MO

• M I N U T E S •

Executive Session 1

Josh Martin called the meeting to order in executive session at 7:00 AM. Members in attendance included: Phyllis Bernard (Director), Harry Skilton (Director), Graham Edwards (Director), and Bruce Scherr (Director). Additional Board members in attendance included Mark Crisson, Larry Altenbaumer, Julian Brix, Nick Brown and Jim Eckelberger. SPP Staff in attendance included Lanny Nickell, Barbara Sugg, Sam Ellis and Charles Yeung.

Agenda Item 1 – Cyber Risk Discussion

Bruce Scherr, as cyber-security liaison on the OC introduced the topic and noted that he participated on a call with the independent expert (Optiv) who conducted the cyber assessment as requested by the Committee (following staff's self-assessment reported to the OC in December). He noted that he was pleased with the assessment and Optiv's expertise. He described Optiv's evaluation process and reported that Optiv was complementary of SPP's cyber team expertise and cooperation. Further, he reported that Optiv opined that SPP's resource commitments were adequate and that their independent assessment of SPP's maturity index was higher than staff's assessment.

Sam Ellis then proceeded to present the assessment in detail. As part of his presentation, he described five goals designed to further improve SPP's security posture and the specific strategic cyber objectives associated with each. Bruce Scherr moved acceptance of the independent assessment and staff's associated strategic cyber objectives. Graham Edwards seconded the motion which was unanimously approved. The Board will take up the matter again in executive session in July with the Members Committee representatives in attendance.

Agenda Item 2 – Call to Order/Administrative Items

The Board was dismissed and Josh resumed the meeting. Graham Edwards moved and Bruce Scherr seconded adoption of the January 29, 2018 Oversight Committee meeting minutes, which were unanimously accepted (Minutes 1/29/2018 – Attachment 1).

Agenda Item 3 – Action Items Report

Michael Desselle noted no action items to report. He noted some revisions to the Committee's Annual Work Plan.

Agenda Item 4 – Quarterly Activity Reports

Michael Desselle apprised the Committee on the recent Audit Notification Letter received from NERC. He noted that SPP had been anticipating notification for a 2018 CIP audit. Additionally, Michael reported on the Compliance Staff's readiness assessment for the CIP audit.

Lauren Krigbaum apprised the Committee on some timing changes for a couple of audits identified on the Annual Plan. She then reported the results of 3 audits completed (Off-We-Go, Collateral Reconciliation, and Study Deposit Invoice and Tracking) during the last quarter. Finally, Lauren reported on Internal Audit's SOC1 audit facilitation and participation.

Agenda Item 5 – Action Items

Action items are:

- Staff to circulate revised Annual Work Plan; and,

Relationship-Based • Member-Driven • Independence Through Diversity

Evolutionary vs. Revolutionary • Reliability & Economics Inseparable

- Staff to follow-up on good-catch effort related to collateral reconciliation matter.

Agenda Item 6 – Future Meetings

The Committee discussed 2018 meeting dates.

Adjournment

Josh Martin adjourned Executive Session #1 at 9:40 AM.

Executive Session 2

Josh Martin called Executive Session #2 to order at 9:45 AM. MMU staff in attendance included: Barbara Stroope and Keith Collins. The Committee met in Executive Session with MMU staff only and discussed MMU matters.

Respectfully Submitted,

Michael Desselle