

Southwest Power Pool

Docket No. PA11-2-000

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

In Reply Refer To:  
Office of Enforcement  
Docket No. PA11-2-000  
October 5, 2011

Southwest Power Pool, Inc.  
Attention: Ms. Stacy Duckett  
Vice President, General Counsel  
and Corporate Secretary  
415 North McKinley, Suite 800  
Little Rock, AK 72205

Dear Ms. Duckett:

1. The Division of Audits within the Office of Enforcement has completed the audit of Southwest Power Pool, Inc. (SPP or the Company), and its functions as a regional entity, for the period of January 1, 2009 to August 24, 2011. The enclosed audit report explains our finding and recommendations.
2. The object of the audit was to determine SPP's compliance with: (1) the SPP Bylaws, (2) the Delegation Agreement between the North American Electric Reliability Corporation and SPP, and the conditions included in the Delegation Order, (3) the SPP Membership Agreement, and (4) other obligations and responsibilities that the Commission has approved.
3. In its August 16, 2011 response, SPP stated it generally agrees with the five findings and 14 recommendations within the Final Audit Report. A copy of your verbatim responses are included as an appendix to this report.
4. I hereby approve the recommended corrective actions. Within 30 days of this letter order, SPP should submit a plan to comply with the corrective actions. SPP should make quarterly filings describing how and when it plans to comply with the corrective actions, including the completion dates for each corrective action. The filings should be made no later than 30 days after the end of each calendar quarter, beginning with the first quarter after this audit report is issued, and continuing until all the corrective actions are completed.

5. The Commission delegated the authority to act on this matter to the Director of OE under 18 C.F.R. § 375.311 (2010). This letter order constitutes final agency action. SPP may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713 (2010).

6. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of noncompliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.

7. I appreciate the courtesies extended to our auditors. If you have any questions, please contact Mr. Bryan K. Craig, Director and Chief Accountant, Division of Audits at (202) 502-8741.

Sincerely,

Norman C. Bay  
Director  
Office of Enforcement

Enclosures