



August 10, 2007

Mr. Jay Caspary  
Southwest Power Pool  
Director, Transmission Planning  
415 North McKinley, #140 Plaza West  
Little Rock, AR 72205

Mr. Caspary:

Please be advised that Oklahoma Gas and Electric Company (“OG&E”) requests authorization to immediately begin construction of a new transmission line from the Spearville, Kansas 345 kV substation (or other termination point in Kansas deemed prudent by the Southwest Power Pool (“SPP”) to the Texas Panhandle. We assume that SPP will determine the number of circuits and ultimate design voltage of the requisite facilities. Assuming 345 kV line construction, OG&E would expect to have these facilities in-service by 2012. OG&E will coordinate with other members of the SPP to construct portions of the project outside of the State of Oklahoma.

In connection with the proposed transmission line project, OG&E also requests authorization to construct a 345/138kV substation adjacent to its existing OG&E Woodward District 138kV substation. The transmission line and the substation will be built, owned, operated and maintained by OG&E. OG&E requests that SPP perform a study to determine whether the proposed facilities (*i.e.*, the transmission lines and the Woodward 345/138 kV substation) displace certain Base Plan reliability upgrades already proposed by the SPP in its 2006 STEP (*i.e.*, the Spearville to Mooreland, and Mooreland to the Potter County Interchange transmission lines, and the Mooreland 345/138kV substation). Pursuant to the SPP OATT, to the extent that these facilities displace certain Base Plan reliability upgrades identified in the 2006 STEP, OG&E requests that the Base Plan funding previously assigned to the displaced Base Plan upgrades be made available for the OG&E proposed facilities.

Based on the outcome of the aforementioned study and a SPP authorization for OG&E to build the proposed facilities, OG&E will commit to build the contemplated Oklahoma transmission facilities in conformance with the SPP OATT, subject to obtaining all necessary state and federal approvals, and subject to OG&E determination that the project will be eligible for adequate cost recovery.

Please acknowledge receipt of OG&E’s request to construct the facilities described above, as well as confirmation of the cost estimates of the displaced Base Plan Upgrades. OG&E looks forward to the continued development of projects identified by the SPP Transmission Expansion Planning process.

Sincerely,

Mel Perkins,  
Vice-President, Transmission  
Oklahoma Gas and Electric Company