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John E. Mills
Manager, Tariff Studies

October 17, 2006

Mr. Alan Derichsweiler
Western Farmers Electric Cooperative
Post Office Box 429
Anadarko, OK 73005

RE: Transmission System Upgrade Authorization for Transmission Service Requests 971951

Dear Mr. Derichsweiler:

Southwest Power Pool has received Long Term Firm Point-to-Point Transmission Service agreements executed by Western Farmers Electric Cooperative for the above noted transmission service requests. In the facility study conducted in the assessment of these requests, SPP concluded that system upgrades are required on the WFEC transmission system as detailed in Aggregate Facility Study SPP-2005-AG2-AFS-3. SPP authorizes WFEC to construct those upgrades to the transmission system concluded in the Facility Study to be necessary to provide the requested transmission service.

SPP authorizes WFEC to install 19 miles of new 345kV 2-795kcmil ACSR circuit, 345kV terminal equipment and a new 345/138kV autotransformer at Hugo Power Plant on the Hugo Power Plant-Valliant 345kV facility on or before May 1, 2010.

WFEC shall submit certification of commercial operation of each of the listed Network Upgrades to SPP as soon as the upgrades are completed and in service.

Consistent with Section 20.1 of the SPP Tariff, please keep SPP advised of any inability on WFEC's part to complete the upgrades in time to provide the committed service. Provide SPP with the construction schedule supporting the required upgrade noted above within 30 days of receipt of this Transmission System Upgrade Authorization letter. Based on this schedule, SPP will require updates to the schedule for schedule status.

Please provide SPP with the actual costs of these upgrades as soon as possible after the completion of construction. This will permit SPP to true up billing to actual costs on a timely basis.

Don't hesitate to contact me if you have questions.

Sincerely,

A handwritten signature in blue ink that reads 'John E. Mills'.

John E. Mills
Manager, Tariff Studies

cc: P. Bourne, L. Dillahunty, J. Caspary, J. Rooker, Mitch Williams-WFEC