



415 N. McKinley, 140 Plaza West
Little Rock, AR 72205-3020
501-614-3356 • Fax: (501) 666-0376
John E. Mills
Manager, Tariff Studies

July 21, 2006

Mr. Tim Hostetler
American Electric Power
212 E. 6th Street
Tulsa, OK 74119

RE: Transmission System Upgrade Authorization for Transmission Service Requests 974592, 974596, 974650, 974656, 974660, 974976, 974977, 974790, 974791, 974793, 974797, 610383

Dear Mr. Hostetler:

Southwest Power Pool has received Long Term Firm Point-to-Point Transmission Service agreements executed by Xcel Energy and Kansas Municipal Energy Agency 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 AEP transmission system as detailed in Aggregate Facility Study SPP-2005-AG2-AFS-3. SPP has received appropriate security from the customer for the facility upgrades. Therefore, SPP authorizes AEP to construct those upgrades to the transmission system concluded in the Facility Study to be necessary to provide the requested transmission service.

SPP authorizes AEP to reconductor approximately 1.90 miles with 795 ACCC/TW on the Explorer Glenpool –Riverside Station 138kV Ckt 1 line and replace wave trap jumpers at Riverside Station by June 1, 2009

Consistent with Section 20.1 of the SPP Tariff, please keep SPP advised of any inability on AEP'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. SPP will define the exact process to follow for the required updates in the near future.

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'. The signature is written in a cursive, flowing style.

John E. Mills
Manager, Tariff Studies

cc: P. Bourne, L. Dillahunty, J. Caspary, J. Rooker