January 23, 2014

To: American Electric Power Service Corp. as Agent for Public Svc. Co. of Oklahoma & SW Ele Pwr Co.(NCR01056),
   Board of Public Utilities (Kansas City, KS) (NCR01061),
   City Utilities of Springfield, MO (NCR01081)
   Grand River Dam Authority (NCR01101),
   Independence Power & Light (NCR01072),
   Kansas City Power & Light Company (NCR01107),
   KCPL --Greater Missouri Operations (NCR01058)
   Oklahoma Gas And Electric Co. (NCR01130)
   Southwestern Public Service Co. (Xcel Energy) (NCR01145),
   Sunflower Electric Power Corporation (NCR01148),
   The Empire District Electric Company (NCR01155),
   Westar Energy, Inc. (NCR00658),
   Western Farmers Electric Cooperative (NCR01160)

RE: De-activation and Compliance Monitoring of Southwest Power Pool Legacy Balancing Authorities

On March 1, 2014, Southwest Power Pool (SPP) begins performing the Balancing Authority (BA) function on behalf of its legacy BAs. As one of the legacy BAs in the SPP RE region, you are receiving this letter in response to requests for compliance guidance that SPP RE has received regarding the registration and compliance of the BA function as the transition to the SPP BA takes place. The following summarizes the expectations of the legacy BAs during the transition.

1. SPP begins providing the function of Balancing Authority (BA)
   a. Legacy BAs cease BA function at the same time
   b. At this point, legacy BAs are not required to provide the function of BA and will not be required to record CPS and DCS data as a BA.
   c. Legacy BAs must ensure that any capabilities required to resume BA functions are available throughout the reversion period.

2. Expiration of reversion period
   a. Legacy BAs may submit registration forms to the SPP RE beginning March 1, 2014 requesting de-activation of BA function effective upon the expiration of the reversion plan, currently expected to be March 11, 2014\(^1\). The SPP RE “Registration Form” is on the SPP RE website (spp.org -> Regional Entity -> Registration and Certification ).

\(^1\) The Reversion Plan allows the SPP RTO to extend the Reversion Period. In the case of an extension, BA functionality must be maintained until the new expiration date.
b. Upon de-activation as a BA, legacy BAs are not required to maintain BA functionality for NERC Compliance. Certain BA functional capabilities may be required by the revised Attachment AN to the SPP tariff.

3. Reversion plan enacted
   a. Legacy BAs resume responsibility for full compliance of applicable NERC Reliability Standards to the BA function
      i. Legacy BAs resume recording CPS and DCS data for reporting purposes
   b. Legacy BAs maintain responsibility for providing the task of BA until the time SPP resumes operation as the BA

Please direct any questions to Greg Sorenson (gsorenson.re@spp.org), Sr. Compliance Engineer on the SPP RE staff.

Sincerely,

[Signature]

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