Southwest Power Pool, Inc.

OPEN ACCESS TRANSMISSION TARIFF
BUSINESS PRACTICES

MAINTAINED BY
SOUTHWEST POWER POOL STAFF

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1000  Transmission Service Information
1000  Introduction and SPP Contacts

The statements included in this document reflect administrative practices of Southwest Power Pool (SPP) in coordinating the sale of transmission services. SPP offers transmission service in accordance with the rates, terms, and conditions contained in its Open Access Transmission Tariff (OATT), which is posted on the SPP OASIS Home Page\(^1\), and on the SPP public website home page\(^2\), under Documents.

Business Practices are administrative elaboration and clarification of the OATT for the purpose of administering the OATT. They establish a basis for consistent application of OATT provisions. Customers are encouraged to call JShari Brown, Manager, Tariff and Interchange at 501-614-3236 or Bruce Rew, Vice President, Operations at 501-614-3214, to discuss their particular transmission needs.

SPP offers both Network Integration Transmission Service (NITS), and point-to-point transmission service under the SPP OATT posted on OASIS. The terms and conditions for SPP point-to-point service and NITS are contained in Part II and Part III respectively of the SPP OATT. Unless rights under Grandfathered Agreements or Transactions exist, transmission service must be purchased under the SPP OATT for use of those transmission facilities committed to the OATT by the Transmission Owners. Note that "Grandfathered Agreements or Transactions" and "Transmission Owners" are defined in the OATT in sections 1.14a and 1.45a respectively.

The format for each Practice includes some or all of the following sections:

Introduction – statement of need for the practice.

Business Practice – the official statement of SPP practice. Business Practices are Staff interpretations of the cognizant law or policy. All other wording is complimentary to the Practice.

Explanation / Rationale – background and principle(s) that guided the development of the Business Practice.

Examples – situational application of the Practice.

Related policies and practices are referenced by footnote. The footnote will include the Internet address as a hyperlink, or bookmark to the location in this document, whichever is applicable. For example, a reference to the SPP OATT may be made as (SPP OATT\(^3\)). The Internet address for the SPP OATT is listed at the bottom of the page. Selecting the hyperlink (blue lettering) will take the reader to the Internet site. Selecting the back arrow from the Internet site will return the reader to this document.

\(^{1}\) SPP OASIS home page - http://www.oatioasis.com/spp_default.html
\(^{2}\) SPP public website home page - http://www.spp.org/
Business Practice

SPP offers the following types of point-to-point transmission service:

**Firm Transmission Service** - SPP Firm Transmission Service is available for increments ranging from one day to multiple years. Firm service has two distinct classes called short-term firm and long-term firm. These are discussed below.

**Long Term Firm Transmission Service** - Long Term Firm point-to-point transmission service is available for increments of one year or longer and is available on a first-come, first-served basis, in the chronological sequence in which each Transmission Customer requests service. Long-term Firm service requires a specific Service Agreement application (SPP OATT Attachment A4) to be filed with SPP for each request, as well as an SPP OASIS request.

**Short Term Firm Transmission Service** - Short Term Firm point-to-point transmission service is available for increments of less than one year. Service increments are designated as daily, weekly, or monthly. Eligible customers may [OATT Section 16.1 (e)5] complete an umbrella agreement (SPP OATT Attachment A6) for short-term firm service, and may make a specific OASIS request for this service only after the umbrella agreement has been executed, except under those conditions specified in Section 15.3 of the OATT. Short-term firm service is conditional based upon service increment, duration and relative impact on Available Transfer Capability (ATC). Short-term firm requests will be processed on a first-come, first-served basis, but subject to displacement by higher priority service increment or longer duration firm requests received later. Right of first refusal will be extended to any short-term firm customer subject to such displacement by another short-term firm request. Right of first refusal will not be extended in cases where a short-term firm request is displaced by a long-term firm request.

**Non-Firm Transmission Service** - SPP Non-firm Transmission Service is available in increments of hourly, daily, weekly, and monthly. Eligible customers may complete an umbrella agreement for non-firm service (SPP OATT Attachment B7), and may make a specific OASIS request for this service only after the Umbrella Agreement has been executed, except under those conditions specified in Section 15.3 of the OATT. Non-firm requests will be processed on a first-come, first-served basis, but subject to displacement by higher priority service increment or longer duration non-firm requests received later. Right of first refusal will be extended to any non-firm customer subject to such displacement by another non-firm request. Right of first refusal will not be extended in cases where a non-firm request is displaced by a firm request.

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Service Increments - Service Types are further distinguished by Service Increments, as defined in FERC Order 638, Section 2.1\(^8\). SPP offers the following Service increments.

**Fixed Hourly** - The service starts at the beginning of a clock hour and stops at the end of a clock hour.

**Fixed Daily** - The service starts at 00:00 and stops exactly 24:00 of the same calendar day (same as 00:00 of the next consecutive calendar date).

**Fixed Daily On-Peak Hours** - The service starts at 06:00 and stops at 22:00 of the same calendar day.

**Fixed Daily Off-Peak Hours** - The service starts at 00:00 and stops at 06:00 and then resumes at 22:00 and stops at 24:00 of the same calendar day (same as 00:00 of the next consecutive calendar date).

**Extended Weekly** - The service starts at 00:00 of any date and stops at 00:00 one week or more later, but less than four weeks later.

**Extended Monthly** - The service starts at 00:00 of any date and stops at 00:00 one month or more later, but less than twelve months later.

**Extended Yearly** - The service starts at 00:00 of any date and stops at 00:00 more than one year later.

Service types available can be viewed on the SPP OASIS home page\(^9\) by selecting QUERY Requests.

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# SPP OATT Business Practices

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**Approval**

**Primary Owner:** Jimmy Womack

[Digital Signature]

Signature date supersedes prior approval dates
Point-to-point transmission service is offered by SPP as a transmission provider to valid Points of Receipt (POR) and Points of Delivery (POD) under Part II of the OATT. Scheduling point-to-point transmission service is on a control area to control area basis. SPP offers both firm and non-firm classes of point-to-point transmission service as defined in the OATT. The following practices apply to all point-to-point transmission service reserved under the OATT unless qualified by a more specific business practice.

**Business Practice**

- The customer must provide valid POR/POD\(^{11}\), source and sink\(^{12}\) information on a request.
- The transmission reservation amount is specified at the POR and applies for the entire time period reserved.
- The request for transmission service must be submitted on the OASIS according to the timing requirements specified in Attachment P of the OATT\(^{13}\).

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\(^{11}\) SPP OATT Part II – Point-to-Point Transmission Service
\(^{12}\) SPP Business Practice 2100 – see Valid Reservation POR/POD
\(^{13}\) SPP Business Practice 2150 – see Valid Reservation Source/Sink

SPP requires that each customer establish their creditworthiness through credit review procedures, in accordance with standard commercial practices. Credit is reviewed for each company applying for transmission service. Companies are required to submit credit information and to provide updated information as appropriate. Once credit has been established, it is reviewed whenever company circumstances or service changes. As a matter of course, each company's credit is reviewed yearly.

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1200 Deposit Requirements for Reserving Transmission Service

Business Practice

When the charge for Reserved Capacity of a request for transmission service is expected to be $25,000 or more, Transmission Customers must deposit with SPP either:

1. One month of charges for Reserved Capacity, or
2. The full charge for Reserved Capacity for service requests of less than one month.

This deposit may be satisfied by methods established by the SPP Credit Policy\textsuperscript{15} including unsecured credit, letters of credit, Parent guarantees, or cash.

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\hline
Tariff Administration & 0810pcsBP1200 & Deposit Requirements for Reserving Transmission Service & 1.2 & 2/7/2011 \\
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1.2 & 2/7/2011 & 2/15/2011 & q & Number change from BP 1.5 to BP 1200 \\
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Approval
Primary Owner: Jimmy Womack

\textit{Signature date supersedes prior approval dates}

\textsuperscript{15} SPP Credit Policy - \url{http://www.spp.org/Publications/SPP_CreditPolicy_2CS_112902.pdf}
Business Practice
SPP estimated rates are posted on the Internet\textsuperscript{16} for the following transmission and ancillary service charges.

- Transmission Service
- Scheduling
- Losses
- Reactive Supply and Voltage Control
- Administrative

Final charges are based on actual usage, and are therefore available after service has been scheduled and delivered. Access to a price matrix containing this information is provided through a rate query on a public website\textsuperscript{17}.

Explanation / Rationale
The rate query allows the viewer to select the source, sink, and season for the transaction. After entering the source, sink, and season of interest, the estimated firm and non-firm (transmission service) rates are displayed, along with Scheduling Fees, Reactive Supply and Voltage Control Rates, Losses Rates, and Administration Fees.

\textsuperscript{16} FERC order 889 Part III H, Section 37.6 (C) (1) - Posting Transmission Service Products and Prices \url{http://www.ferc.gov/legal/maj-ord-reg/land-docs/order889.asp}

\textsuperscript{17} SPP OASIS rate query page - \url{http://sppoasis.spp.org/documents/swpp/tariff/pri_home.cfm}
# SPP OATT Business Practices

**Dept:** Tariff Administration  
**Doc ID:** 0810posBP1250  
**Document Title:** Posting of Prices for Transmission Service  
**Current Version:** 1.2  
**Current Rev Date:** 2/7/2011

## Revision History

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## Approval

**Primary Owner:** Jimmy Womack

*Signature date supersedes prior approval dates*
Business Practice

Any firm point-to-point request submitted on or after June 1, 2000 that is accepted by SPP but later withdrawn or retracted will be subject to a request charge of $200 for reservations one month or longer or $100 for reservations less than one month. If ATC is not available using the most current information, the request will be refused and no request charge will be applied.

Explanation / Rationale

Although this provision has always existed in the SPP OATT, SPP had agreed to waive the charge until the Scenario Analyzer was functioning properly. The Scenario Analyzer is a tool on the SPP OASIS that converts the flowgate ATC values posted by SPP to control area-to-control area ATC values up to sixteen months into the future. However, due to the potential existence of large numbers of unconfirmed requests, suspect input data, and modeling inaccuracies, the ATC values will be verified by SPP with the latest information before acting on each request. Therefore, even if the Scenario Analyzer shows no ATC is available, the customer can still submit a request. If ATC is available when SPP evaluates the request, SPP will accept the request.

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1300 Transmission Service Request Charge

SPP OATT Schedule 1, Section 2, (i), - http://www.spp.org/publications/spp_tariff.pdf
1350 Forgiveness of Transmission Service Charges

The following describes the SPP business practice concerning forgiveness of transmission service charges. Forgiveness is the term commonly used to describe the billing credit for transmission service charges in situations where transmission service reserved by a customer cannot be used.

**Business Practice**

All charges associated with the provision of confirmed point-to-point transmission service will be rebated by SPP for a period of curtailment if:

1. The point-to-point transmission service is scheduled on-time per the IDC, and
2. The service is curtailed or halted due to TLR, Transmission Service Provider curtailment or a Congestion Management event.\(^{19}\) Issued for a constraint on the SPP transmission system.

There is no forgiveness of transmission service charges if:

- SPP transmission service is curtailed or halted due to TLR issued for a constraint external to SPP, or
- A schedule is refused for being late per the SPP OATT, or
- A schedule is late per the IDC and is put on hold by the IDC, or
- The customer otherwise fails to use the transmission service, or any portion thereof\(^{20}\).

**Clarification of terms:**

- A **curtailment** occurs on a schedule that is active and running at the time the TLR curtailment, Transmission Service Provider curtailment or Congestion Management event is issued\(^{21}\).
- A **halt** occurs on a schedule that has been submitted on time per the IDC but has not yet began running or become active; therefore the schedule is not allowed to start. A **halt** also applies to increases in a schedule that is active and running.
- A **hold** occurs on a schedule or schedule change that has not been submitted on time per the IDC and is not allowed to start.
- **On time per the IDC** is defined as a schedule that has been submitted and approved by all parties involved in the transaction, causing the tag to be implemented and received in the IDC, more than 35 minutes prior to the start time.

\(^{19}\) There will be no automatic forgiveness of charges for Congestion management events. The forgiveness of transmission service charges for congestion management events absent of TLR will be reviewed by Tariff Billing staff only if the customer submits a request through their SPP customer relations representative. (This is a manual process that requires the customer to submit a request.)


\(^{21}\) see footnote 19
**SPP OATT Business Practices**

### Revision History

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**Approval**

**Primary Owner:** Jimmy Womack

Signature date supersedes prior approval dates
Discount information for non-firm point-to-point transmission services is posted on the SPP OASIS home page. Non-firm rates do not reflect any SPP discounts. Discounted prices for non-firm service are determined by applying the current effective SPP discount to the posted non-firm rates. The discount information is updated as necessary to reflect market conditions and other factors. The page is dated to allow users an easy reference for changes to the discount policy.

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**Approval**

Primary Owner: Jimmy Womack

Signature date supersedes prior approval dates

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Real-Time Discounting is a practice of offering transmission service that has a relieving effect on a flowgate that is in TLR. The amount of discount will depend on level of TLR and flowgate history.

Business Practice
During real-time or anticipated near-term conditions of heavy loading on an SPP constraint, SPP may offer discounts on non-firm point-to-point transmission service requested during the period of expected heavy loading. Such discounts will be offered for new service that has an unloading effect on the constraint. The following procedures shall be followed when these discounts are offered and taken.

- When a TLR level 1 or higher is called on an SPP constraint, SPP will post on the OASIS a notice of the discount, the period for which the discount is effective, and the source/sink combinations for which the discount will apply.

- After the notice is posted, the transmission customer must request and be granted non-firm point-to-point transmission service with an applicable source/sink combination and a start and stop time within the effective period of the discount.

- The customer must submit the transmission request using a service type that contains the subclass “Discounted”.

NOTE: These notices will only be posted as requested by the customer.
SPP administers transmission service across two sets of DC Ties, two to ERCOT and three to WECC. Services across these ties have different criteria. The basic approach to reserving service is the same as for other SPP service. However, since these are ties connecting to transmission providers outside the Eastern Interconnection, some additional actions are involved. The Stegall and Sidney DC Ties between NPPD and WECC are administered by WAPA and are not subject to this Business Practice.

As part of the DC Tie Automation initiative, undertaken in preparation for the Integrated Marketplace, a minor administrative change is required when reserving service across the DC Ties. This change relates to POR or POD identification with the “.SPP” designation as shown below (current changes are highlighted.

**Business Practice**

**ERCOT**

Both DC ties to ERCOT are owned and operated by AEP, an SPP transmission owner. SPP will limit the amount of transmission service granted across the DC ties in each direction to the capacity of the tie. If counter-flow schedules exist across the DC ties, SPP may grant additional non-firm service in excess of the DC tie capacity but not to exceed the transmission capacity scheduled in the opposite direction and in no case will SPP grant more than twice the capacity of the DC tie in any direction. Transmission service sold across the DC ties as a result of capacity created by counter-flows are curtailed with all other counter-flow purchases, on a pro rata basis. The following requirements must be met to reserve SPP OATT service across the two ERCOT DC Ties at Oklaunion (ERCOTN) and Welsh (ERCOTE).

- The SPP portion of the service must include a valid SPP POR/POD set with an appropriate DC tie (ERCOTE or ERCOTN).
- The request must include the ultimate source / sink system within the Eastern Interconnection, and either the ultimate source / sink within ERCOT or the DC tie identified as the POR or POD, unless service is being requested for unidirectional capacity exclusively for the DC tie.
- Firm transmission service may be sold, upon request, to provide unidirectional capacity exclusively on the DC tie. Once a point-to-point DC tie reservation is confirmed, that service can request redirection. To specify that service is being requested into an ERCOT tie, the reservation shall show the true source as either ERCOTE-SPP or ERCOTN-SPP, the POR as either ERCOTE.SPP or ERCOTN.SPP respectively, and the appropriate DC tie as the POD and sink. Comments showing the direction of flow must also be shown in the Customer Comments area of the request so that all customers may identify the direction of flow.
- To specify that service is being requested out of an ERCOT tie, the reservation shall show the true sink as either ERCOTE-SPP or ERCOTN-SPP, the POD as either ERCOTE.SPP or ERCOTN.SPP respectively, and the appropriate DC tie as the POR and source.

Example: Service into ERCOT across the ERCOTE tie

Source = ERCOTE-SPP

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24 Additional facilities usage fees may be incurred for use of transmission service inside the ERCOT region and be billed by companies other than SPP. See ERCOT for transmission service reservation and scheduling practices for use of facilities within ERCOT.
WECC
The DC ties to WECC are separately owned and operated. All of these connect to the Southwestern Public Service Co (SPS – An Xcel Energy Company) transmission system, which is under the SPP OATT. The Blackwater (BLKW) tie is owned and operated by Public Service Company of New Mexico (PNM). The Eddy County tie (EDDY) is owned by El Paso Electric (EPE) and Texas - New Mexico Power (TNP) but operated by SPS. The Lamar tie is owned and operated by Public Service Company of Colorado (PSCO). SPP will limit the amount of Non-Firm transmission service granted across the BLKW and EDDY DC ties in each direction to the capacity of the tie. If the WECC provider allows and counter-flow schedules exist across the DC ties, SPP may grant additional non-firm service in excess of the DC tie capacity but not to exceed the transmission capacity scheduled in the opposite direction and in no case will SPP grant more than twice the capacity of the DC tie in any direction. Transmission services sold across the DC ties as a result of capacity created by counter-flows are curtailed with all other counter-flow purchases, on a pro rata basis. The WECC does not allow additional Firm service to be sold based on counterflow and SPP does not sell additional Firm service based on counterflow; therefore no additional Firm service in excess of the capacity of the tie will be sold against schedules flowing in the opposite direction. The following requirements must be met to reserve SPP OATT service up to the WECC DC Ties LAMAR, BLKW and EDDY.

- The SPP portion of the service must include a valid SPP POR/POD with an appropriate WECC tie (LAMAR, BLKW or EDDY).
- The request must include the ultimate source / sink system within the Eastern Interconnection and the ultimate Source / Sink within the Western Interconnection or the DC tie identified as the POR or POD, unless service is being requested for unidirectional capacity exclusively for the DC tie.
- Firm transmission service may be sold, upon request, to provide unidirectional capacity exclusively on the DC tie. Once a point-to-point DC tie reservation is confirmed, that service can request redirection. To specify that service is being requested into a WECC tie, the reservation shall show the true source as either LAMAR-SPP, BLKW-SPP or EDDY-SPP, the POR as either LAMAR.SPP, BLKW.SPP, or EDDY.SPP respectively, and the appropriate DC tie as the POR and sink. Comments showing the direction of flow must also be shown in the Customer Comments area of the request so that all customers may identify the direction of flow.
- To specify that service is being requested out of a WECC tie, the reservation shall show the true sink as either LAMAR-SPP, BLKW-SPP or EDDY-SPP, the POD as either LAMAR.SPP, BLKW.SPP, or EDDY.SPP respectively, and the appropriate DC tie as the POR and source.
- Example: Service into WECC across the BLKW tie
  - Source = BLKW-SPP
  - POR = BLKW.SPP
SPP OATT Business Practices

- POD = BLKW
- Sink = BLKW

- Transmission service must be reserved with both SPP for the SPP portion (SPP OASIS site25) and the appropriate WECC Transmission Providers for the WECC portion of the service.
- SPP emphasizes to customers that they must get service from the owner of LAMAR (PSCO), BLKW (PNM) or Eddy (EPE, and/or TNP) to be able to go out of SPP from SPS across the DC ties.

Additional General Rules

SPP will not offer any service above the continuous operating capability rating of the ties except non-firm service under counter flow situations where schedules in the opposite direction have been submitted. Any counter flow schedules must be profiled to flow for the entire duration of the new reservation request before any new request would be considered that would make the total reserved in one direction above the continuous capability of the tie.

SPP will not knowingly sell more across the ties than can be accommodated during maintenance or other times when the ties may be de-rated. However, outage and de-rating situations will arise from time-to-time. If there is an outage on the SPP AC system that prevents SPP from allowing schedules to the full amount sold, pro rata curtailments based on NERC TLR procedures will be enforced and rebates for curtailment periods will be made. For the ERCOT DC Ties, these rules will also apply when the curtailment is necessary due to the DC Tie facilities themselves. For curtailments due to AC system problems in WECC or ERCOT or for problems on the WECC DC Ties, there will be no rebate of SPP service. Curtailment procedures will also be the responsibility of the ERCOT ISO or the appropriate WECC entity.

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**Approval**

**Primary Owner:** Shari Brown

**Signature date:** 06/06/2013
Emergency Transmission Service (ETS) is hourly non-firm transmission service provided or offered by SPP during certain circumstances that qualify as emergency conditions. The following describes SPP's business practice concerning the provision of ETS.

### Business Practice

ETS is offered by SPP only under the following circumstances:

- **When a control area that is a member of the SPP Reserve Sharing Group initiates a reserve sharing event that results in energy assistance from other members of the group, ETS will be used for those energy assistance schedules requiring SPP transmission service.** SPP will submit an ETS request after the contingency has occurred.
- **When transmission service is necessary to provide emergency assistance to an entity that is in a level 2 Energy Emergency Alert (SPP will verify the EE2 via the RCIS).**
- **When the SPP Reliability Coordinator directs a transmission customer to implement redispatch associated with Firm Transmission Service.**

ETS is not restricted by the timing requirements in Attachment P of the SPP OATT.

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1600 ATC Posting and Scenario Analyzer

Business Practice
FERC Order 889, Section 37.2 (b) \(^{27}\) requires Firm and Non-Firm ATC path values to be made available to OASIS users on the appropriate OASIS page. SPP provides the Scenario Analyzer, which is an OASIS Automation module, for Transmission Customers to enter transmission service requests for analysis of available capacity without submitting an actual request on OASIS. This Internet location \(^{28}\) provides access to the Submit Request link for Eligible Customers. The Scenario Analyzer is available by completing the transmission request form \(^{29}\), and then selecting the ANALYZE button. User certification is required for access to the Scenario Analyzer.

SPP will update firm and non-firm flowgate capacity values continuously following recalculations, and as transmission service requests are processed. These postings will be available on the SPP OASIS page. User certification is required for access to the site.

Explanation / Rationale
The flow-based approach being used to process requests under the SPP OATT requires computing constrained facility ATC for available service increments. Constrained facility ATC represents remaining capacity available on a constrained facility. Transmission Customers, however, are interested in ATC that is available between a source and sink and not necessarily the capacity that is available on a constrained facility. To meet the needs of customers, the SPP provides a Scenario Analyzer as part of OASIS Automation. The Scenario Analyzer is an OASIS Automation module that allows Transmission Customers to evaluate availability of capacity on certain designated constrained facilities for the Source and Sink pair, but does not decrement ATC since no request has been submitted. Information is entered on the form for:

- Source name
- Sink name
- POR name
- POD name
- Capacity type
- Begin time (for each time segment)
- End time (for each time segment)


\(^{28}\) SPP OASIS home page - [http://www.oasioasis.com/spp_default.html](http://www.oasioasis.com/spp_default.html)

\(^{29}\) Scenario Analyzer via OASIS transmission service request page - [http://www.oasioasis.com/spp_default.html](http://www.oasioasis.com/spp_default.html)
Capacity value (for each time segment)

After entering information on the request form, ANALYZE is selected to view ATC without actually submitting a request for service. A request for service would be issued to OASIS if the SUBMIT option were chosen after completing the form. The resulting display will provide the user with a profiled path ATC for the duration of the request, and provide the most limiting constraint for the different time periods. The customer can then select the SUBMIT button\(^{30}\), provided on the Scenario Analyzer Results page, to submit the request as a valid request, regardless of the results of the analysis request.

30 Scenario Analyzer via OASIS transmission service request page - [http://www.oatioasis.com/spp_default.html](http://www.oatioasis.com/spp_default.html)
1650  Current-hour Transmission Service

Current-hour transmission service is non-firm hourly or secondary transmission service to be utilized within the current hour or within the next hour but submitted less than 30 minutes prior to the start of the hour. The following describes SPP’s business practice concerning the provision of current-hour transmission service.

**Business Practice**

Requests for current-hour transmission service:

- Must be made on the OASIS.
- Are limited to a single hour.
- Must be made for a full hour even if the intent is to schedule the service for a partial hour.
- Must be scheduled and tagged and are subject to applicable scheduling timing requirements and approvals.
- Are not to be used by the transmission customer to request service for transmission usage after the fact.
- Must be Pre-Confirmed.
**SPP OATT Business Practices**

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**Approval**

**Primary Owner:** Jimmy Womack

*Signature date supersedes prior approval dates*
1700 Profiling Transmission Service

OASIS allows customers to submit a varying profile on a transmission service request for multiple periods of the same service increment. For example, a customer may submit a monthly request for 3 months with a capacity of 1 MW for the first two months and 100 MW for the third month. A request with a varying profile is allowed with the following condition.

Business Practice

A multiple-period yearly firm transmission service request may be submitted with a varying profile. All other multi-period requests will be required to have a constant profile. Transmission capacity withheld for rollover rights associated with a multi-year, yearly firm transmission service request approved with a varying profile will be the capacity granted for the last year of the request.

Explanation

SPP allows transmission service requests for multiple periods of the same service increment to be submitted as one OASIS reservation. Attachment P of the SPP OATT ("Tariff") contains timing requirements prescribing when a request for each type of service may be submitted. Allowing customers to submit a multiple-period request with a varying profile provides an opportunity to circumvent the intent of the “No Earlier Than” timing requirements in Attachment P, with the exception of yearly firm transmission service. The above business practice regarding varying profiles was implemented to prevent such potential abuse of the Tariff.
2000  Transmission Service Request Submittal and Evaluation
Requests for firm point-to-point transmission service on SPP’s OASIS shall be answered within the time frames specified in the OATT unless there are extenuating circumstances. If there is adequate Available Transfer Capability (“ATC”), SPP will promptly accept relevant requests. When ATC is zero, or is inadequate to accommodate a request, the response will be determined by the situation as classified by the following business practice.

Business Practice

Short Term Requests

If there is limited ATC to accommodate all outstanding requests, the remaining ATC will be sequentially offered according to service type and queue priority until all requests have been responded to, or the ATC drops to zero. That sequential process may be protracted if there are numerous requests in the queue.

If there is zero ATC available for the requested path and time period, and inadequate time to modify the transmission system to afford ATC, SPP will refuse the request on a non-discriminatory basis.

If there is limited or no ATC but system modifications or Redispatch can be effected, then a System Impact Study (SIS) will be offered. The customer will be notified by phone and the message “SIS needed” will be put in the Provider Comments field of the OASIS request. Once the customer has been notified, the customer will have one business day to notify SPP by phone and by noting in the Customer Comments field that a SIS agreement is wanted. A SIS Agreement will be tendered to the Customer within 30 days of the receipt of a Completed Application. Depending on the number of pending requests for transmission service, the completion of a SIS may take significantly longer than the stated target of completion within 60 days. SPP will notify the customer of such delays and the reason for the delay (consistent with Sec. 19.3 of the OATT\(^{31}\)). If such a delay is anticipated, upon tendering the SIS, the delay will be addressed in the SIS Agreement.

Long Term Requests

If the request is a new long-term transmission service request that is not competing for the same transmission capacity as a reservation that may be renewed, system capacity must be sufficient to accommodate the new request. New requests for Long Term service will be considered upon the Transmission Provider’s acceptance of a Completed Application, to include, an executed Aggregate Facility Study Agreement and a study deposit, if required.

If the request is a new long-term transmission service request that is competing for the same transmission capacity on the same transmission path as a reservation that may be renewed, it will be handled in accordance with Business Practice 2.12.\(^{32}\)

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\(^{32}\) SPP Business Practice 2400 – [Handling Renewal Rights](http://www.spp.org/publications/spp_tariff.pdf)
### Revision History

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### Approval

Primary Owner: Jimmy Womack

Signature date supersedes prior approval dates
Business Practice
SPP requires a POR and POD to be identified on each request for transmission service under the SPP OATT. Eligible POR/POD’s under the SPP OATT include the following:

- Control areas that have committed their transmission facilities to the SPP OATT
- Control areas physically or contractually connected to those control areas under the OATT
- ERCOT DC ties (ERCOTN and ERCOTE)
- SPS DC ties (Blackwater and Eddy)

Eligible POR / PODs can be viewed on the SPP OASIS site 33.

The POR/POD for transmission service purchased from SPP must match the source/sink 34, be an ERCOT DC Tie for an ERCOT source/sink, be an SPS DC Tie for a WSCC source/sink, or be a control area that contains the source/sink.

The only exception is when SPP OATT service is being combined with other SPP OATT transmission service, or service that is grand-fathered with respect to the SPP OATT. In those instances, the Transmission Customer must specify a POR and POD for the OATT service that forms a contiguous scheduling path with the other transmission service. Since the POR and POD may not match the source and sink (as the same control area or a system within that control area) in this case, the transmission customer must include comments on the request, indicating that the service is being combined with other service. If this comment is not included, the request status will be set to INVALID or REFUSED.

Explanation / Rationale
Many of the ancillary service charges under the SPP OATT are directly affected by POR / POD information on a transmission reservation. Sink and/or POD information is used to apply transmission service zonal rate charges for Point-to-Point service, and determine Monthly Demand Charges for Network Service. It is therefore imperative that correct POR /POD information be given on reservation requests. Additionally, ATC can be materially affected if POR/POD information is not accurate on a reservation request.

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33 SPP OASIS page for submitting a transmission service query - http://www.oatioasis.com/spp_default.html
34 SPP Business Practice 2150 – see Valid Reservation Source/Sink
## SPP OATT Business Practices

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### Approval

**Primary Owner:** Jimmy Womack

*Signature date supersedes prior approval dates*
2150 Valid Reservation Source / Sink

SPP uses a flow-based approach to determining Available Transfer Capacity (ATC). It is therefore important to system reliability that sources and sinks represent the intended use of system capacity, reflecting the two ends of the flow path.

Business Practice
Valid sources and sinks for SPP reservation requests must be one of the following:

1. Control areas and systems within control areas that are included on the SPP Price Matrix.35

2. True source or sink system or control area using the appropriate NERC-registered entity acronym where available

Due to the Standards and Communication Protocols for OASIS issued by FERC and NAESB, the SPP OASIS system has limitations on the number of characters that can be used as a source or sink on OASIS. The maximum number of characters that can be used for a source or sink on OASIS is fourteen (14). If a source or sink name exceeds this limit, the OASIS will automatically truncate the extra characters and the source/sink name will be incomplete and therefore considered INVALID.

When multiple SPP reservations are used to create a contiguous path on a tag, at least one reservation must have the true source/sink.
2200  Retraction of a Transmission Request

Business Practice

Attachment P of the SPP OATT\textsuperscript{36} contains timing requirements that prescribe when a customer must respond to an accepted request for transmission service. If a customer has not confirmed or withdrawn a request by the end of the time specified for the specific type of service requested, SPP will retract acceptance of the request. Occasionally, however, a customer may confirm a request after the customer response time has expired before SPP can retract the request. The disposition of a request that is confirmed after the customer response time has expired depends on the existence of one or more competing requests.

- If a competing request exists or existed at the time confirmation was due or prior to the request being confirmed, the request that was confirmed will be retracted (OASIS currently does not have a means to allow SPP to display a status of “retracted” once the reservation has been confirmed, therefore it will display a status of “annulled” and will include comments indicating the request has actually been retracted).

- If no competing request exists or existed at the time confirmation was due or prior to the request being confirmed, no action will be taken to retract the request.

\textsuperscript{36} SPP OATT Attachment P - \url{http://www.spp.org/publications/spp_tariff.pdf}
2250 Annulment of a Reservation Request
(return to TOC)

Only the Vice President – Operations, or his/her designee, as specified in writing, can annul or authorize annulment of a reservation. A point-to-point reservation will not be annulled because the customer decides they cannot use the service. If a customer decides they cannot or do not want to use the service, they have the right to resell the service", and for firm point-to-point service, use a secondary POR/POD or request to redirect to another POR/POD. SPP does not consider this an unintentional mistake and will therefore not annul a reservation for this reason.

Business Practice
SPP will annul or recall capacity from a transmission reservation under the following conditions.

1. SPP will annul a point-to-point reservation if an unintentional mistake is made entering a valid request for transmission service. The determination of whether an unintentional mistake was made will be at the sole discretion of the Vice President – Operations or his/her designee, as specified in writing, and be made under the specific conditions present at the time. In order for the point-to-point reservation to be considered for annulment, the customer must notify the Tariff Administrator within 20 minutes of confirmation of the reservation for any hourly service, within 1 hour of confirmation for any daily service, within 24 hours of confirmation for any weekly service, within 2 days of confirmation for any monthly service and within 7 days of confirmation for any yearly service.

2. SPP will annul network service reservations that have a duration of less than one year at the customers’ request any time prior to being scheduled.

3. SPP will annul a reservation if the Tariff Administrator approves, and the customer confirms, a request that is invalid or violates an existing business practice. When the invalid reservation is discovered, SPP will annul it and the customer may enter a valid request or SPP may enter a valid request on the customers’ behalf using the Post Reassignment option.

4. SPP will use the following guidelines for recalling capacity on reservations approved by SPP in error, i.e., the request should have been refused due to insufficient ATC:
   • If the request should have been refused due to DC Tie or contract path limitations, SPP will recall the capacity as soon as the error is identified.
   • If the request should have been refused due to a limitation other than a DC Tie or contract path limitation, SPP will notify the customer and recall the request no later than: 1 hour prior to start for any hourly service, 12 hours prior to start for any daily service, 24 hours prior to start for any weekly service, or 4 days prior to start and within 7 days after confirmation for any monthly service.

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SPP OATT Business Practices

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**Approval**

Primary Owner: Shari Brown

Signature date: 2014-02-11

Date: 2014-02-11

Signature: Shari Brown
Business Practice
If a request for transmission service cannot be accepted in its entirety, SPP will offer the portion of the transmission service that it can provide for the term or service increment of the service requested, subject to the following conditions:

1. If the portion or portions of service that can be provided is of the same service increment as was requested, SPP will counteroffer the customer the portion or portions of service that can be accepted. The customer must decide whether to accept the counteroffer, subject to the timing requirements in Attachment P of the SPP OATT.\(^{39}\)

2. If the portion or portions of service that can be provided is of a lesser service increment than was requested, the customer will be notified that the lesser increment service is available with the appropriate comments on the OASIS.\(^{40}\) The customer may then submit a new request for the available service increment, subject to Attachment P timing requirements. The reservation priority of the new request will be established pursuant to OATT requirements, based on its submission time and service increment.

Examples

**Increment Available, but not for the Term Requested (falls under # 1 above)**
A customer submits a monthly firm request for 3 months at 100 MW. SPP determines that this request can be accepted at its requested amount (100 MW) and increment (monthly), but only for 2 months. No firm ATC is available for the middle month. The request is partially accepted for the first and last months. SPP will counteroffer the customer the two (2) available months by editing the profile of the request.

**Increment Available, but not for the Amount Requested (falls under # 1 above)**
A customer submits a one-year, long-term firm request for 100 MW. SPP determines that 100 MW is available for only nine months of the year requested. During the remaining three months, only 50 MW is available. SPP will counteroffer the customer the available service by editing the profile of the request. The profile will set the capacity to 50 MW for the one-year request.

**Increment Not Available (falls under # 2 above)**
A customer submits a firm monthly request for 1 month at 200 MW. No firm ATC is available in a monthly increment for the time period requested. Firm weekly service is available for 3 weeks of the month, and non-firm daily is available for the remainder of the month. The original request will not be partially accepted. The customer will be notified that the lesser increment service is available with the appropriate comments on the OASIS. The customer may then submit a request for the service in available increments and service class (non-firm verses firm), with the queue priority established accordingly. The request must be submitted within the timing requirements of the OATT.

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## SPP OATT Business Practices

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**Approval**

**Primary Owner:** Jimmy Womack

Signature date supersedes prior approval dates
SPP OATT Business Practices

2350 Combining SPP Transmission Service Requests

SPP performs a flow-based analysis, using the source and sink information, of each valid transmission service request that is submitted. It is expected that each request will indicate the true source and sink of the intended transaction. There are occasions, however, where a customer has a need to purchase additional transmission service from SPP to be combined with other SPP transmission service or service that is grandfathered with respect to the SPP OATT ("Tariff"). In those cases, the following SPP Business Practice exists.

When requesting transmission service under the SPP OATT that is being combined with another request for transmission service under the SPP OATT, or combined with service that is grand-fathered with respect to the SPP OATT:

- **The Transmission Customer will specify the POR and POD on the service being requested that is needed to form a contiguous scheduling path when combined with the other transmission service.**

- **A request for SPP transmission service to be combined with another reservation for transmission service under the Tariff will be allowed for hourly service only.**

- **The source and sink identified must represent the true source and sink of the transaction.**

- **The customer must include comments that the request is being combined with other SPP transmission service or service that is grandfathered with respect to the Tariff and the original service #AREF# shall be in the Request Reference field followed by a ‘-P’. (i.e. #AREF#-P)**

- **When the original request has a source or sink that is to or from a first tier BA or beyond:**
  - With the exception of AECI, there will be no requirement to procure third party transmission service to combine SPP transmission service. (If AECI is on the path they must be listed as a scheduling entity)
  - When scheduling combined SPP service it is not required to list the first tier BA in the scheduling entity portion of the tag.

For example:

Existing reservation

- POR = AMRN
- POD = ERCOTE
- SOURCE = MISO
- SINK = ERCOTE

Combining reservation with new source of OPPD

- POR = OPPD
- POD = AMRN
- SOURCE = OPPD
- SINK = ERCOTE

MISO is NOT required to be listed as a Scheduling Agent on the tag.
Combining SPP service with different priorities will result in an overall SPP priority equal to that of the lowest SPP segment. When combining reservations that result in delivery to an SPP border and receipt from an SPP border, the appropriate transmission service must also be obtained from the bordering transmission provider(s).

**Explanation / Rationale**

When a request for service is to be combined with another request under the Tariff or transmission service grandfathered with respect to the Tariff, the impact on the Transmission System must be evaluated based on their combined effect. If evaluated separately when purchased, the effects on the transmission system could be substantially different from the effects realized when both requests are combined to complete a transaction. Therefore, in order to accurately analyze the impacts of the intended transaction on the system, SPP requires the true source and sink be indicated on requests for service when being combined with another request for transmission service under the Tariff or service that is grand-fathered with respect to the Tariff.
Business Practice

- Customers exercising their reservation priority must do so at least one year in advance of the expiration of their service, and must do so by submitting a RENEWAL request on the OASIS.

- Requests must be renewed for a minimum period of five (5) years in order to maintain renewal rights.\(^41\)

- Unless otherwise limited in the initial long-term service agreement, the customer has a right to reservation priority if properly exercised. Transmission System Planning is performed with renewal service considered.

- Limitations enumerated in the long-term service agreement (e.g., redispatch options) required as a condition for granting original service will also apply to renewal service, unless conditions are no longer warranted.

The status of a long-term transmission service request that is competing for the same transmission capacity as a reservation that may be renewed will not be changed to “ACCEPTED” prior to the earlier of: the submittal of the RENEWAL request or one year\(^42\) prior to the expiration of service. Customers renewing service must accept a contract term for the renewal at least equal to a competing request and agree to pay the current rate as approved by the Commission for such service. A competing request is defined as a request for yearly transmission service queued prior to the RENEWAL request, of a greater term than the RENEWAL request, and sharing the same POR and POD, sharing a POR or POD of a DC Tie, or constrained by limited contract path capacity on the same external interface that is CONFIRMED by the customer after being Conditionally Accepted*. The renewal customer must match all competing requests, in order of queue priority, that cumulatively equal the capacity for which renewal is being proposed. To match the term of a CONFIRMED competing request, the renewal customer must submit a matching term request within 15 days of the competing request being CONFIRMED. SPP will notify the renewal customer by phone, by e-mail and by posting a message in the provider comments section of the RENEWAL request as soon as possible that a competing request has been CONFIRMED. If the matching RENEWAL request is CONFIRMED, the competing request will be ANNULLED. Otherwise, the renewal customer loses its reservation priority and its RENEWAL request will be treated as an original service request.

NOTE: *Conditionally ACCEPTED meaning that if CONFIRMED, the renewal customer has the right to match the term of a competing request. If the renewal customer matches the term of a competing request, then the competing request will be ANNULLED. Conditionally ACCEPTED is not a NERC defined option in OASIS, the requests will be ACCEPTED on a conditional basis.

- More detailed steps that will be taken by SPP staff when the determination of competition has been made are:

\(^{41}\) for customers with transmission service requests queued on or after October 1, 2007 that did not execute a service agreement before August 11, 2008 must have a minimum term of 5 years in order to have a reservation priority for rollover. Customers with service requests shorter than 5 years made on or after October 1, 2007 that did execute a service agreement before August 11, 2008 have no rollover rights under the Order No. 890 rollover rules.

\(^{42}\) 60 days for customers with transmission service requests queued on or after October 1, 2007 that did not execute a service agreement before August 11, 2008 must have a minimum term of 5 years in order to have a reservation priority for rollover. Customers with service requests shorter than 5 years made on or after October 1, 2007 that did execute a service agreement before August 11, 2008 have no rollover rights under the Order No. 890 rollover rules.
Once the RENEWAL request has been submitted or we are within one year or 60 days of the expiration of the service, a query of OASIS will be done to identify all competing requests, in order of queue priority, that cumulatively equal the capacity for which renewal is being proposed.

Once all competing requests have been determined, all other requests for yearly transmission service queued prior to the RENEWAL request that were eligible to become competing requests will be refused and the customer(s) notified.

Once all competing requests have been identified, the determination will be made, based on start and stop times, as to what the duration of the matching requests must be. (Duration being start and stop time)

The renewal customer will be notified and given the duration required for all matching requests. The 15 day clock will start once the customer has been notified by phone or other means as noted above. The time and date of the official notifications will be noted in the Provider Comments section of the request.

If the renewal customer submits a Pre-CONFIRMED matching request within the allotted time, then the competing request will be ANNULLED and the customer notified.

If the renewal customer does not submit a Pre-CONFIRMED matching request within the allotted time, then the customer with the competing request for which no Pre-CONFIRMED matching request was submitted will be awarded the service and the renewal customer’s request will be treated as a new request in the queue order, not as a renewal.

- Service can be renewed for less than the originally CONFIRMED amount of capacity.
- Service can be renewed for less than five years at the end of which no renewal rights will remain.
- Any Original Yearly service with reservation priority that is redirected as Yearly service increment but not to the end of the original term will maintain its reservation priority at the POR/POD of the original service reservation.

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See footnote 45.
SPP OATT Business Practices

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Tariff Administration | 0810pcsBP2400 | Handling of Renewal Rights | 1.4 | 2/8/2011

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Approval

Primary Owner: Jimmy Womack

Signature date supercedes prior approval dates
2450 Allocation of Transmission Capacity for Requests Submitted during Simultaneous Submission Window

FERC Order 890 requires transmission providers who set a “no earlier than” time for request submittal to treat all transmission requests received within a specified period of time as having been received simultaneously as well as propose a method for allocating transmission capacity if sufficient capacity is not available to meet all requests submitted within the specified time period. (The opening windows for SPP are 12:00 noon and 12:00 midnight dependent upon Transmission Service Type as defined in Attachment P of the SPP OATT) This business practice outlines the method for allocating capacity for requests that must adhere to a “no earlier than” submittal time and are deemed to have been submitted within the simultaneous submission window required by FERC Order 890 and Attachment P Timing Requirements.

Business Practice

- When a request is submitted, it is automatically assigned a unique reference number and the queue time is recorded in the SPP OASIS database. The SPP Tariff Administrator will use this reference number and queue time in the allocation of capacity.

- The SPP Tariff Administrator will determine eligibility and priority for capacity by using the following order: NERC priority level, duration, pre-confirmation status, and queue time of the requests. Those requests with the highest NERC priority will have the highest priority, with duration, pre-confirmation status then queue time serving as tie-breakers.

- For the purposes of this Business Practice, requests with a varying profile will only be eligible for the capacity that is continual throughout the entire duration of the request with duration being determined based on continuous hours requested. The SPP Tariff Administrator will distribute capacity according to the eligibility determined in the previous bullet until accepting the next eligible request for its full requested capacity would cause the available transfer capacity to be negative. The SPP Tariff Administrator will then propose a counteroffer to this next eligible request for the capacity available to make the ATC 0 MW for each hour. (Duration is determined by what is requested, not what hours are counteroffered for)

- Requests accepted in accordance with this business practice remain subject to displacement due to the scheduling of Firm service and/or the submittal of a request of higher priority and/or longer duration.

### SPP OATT Business Practices

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**Primary Owner:** Jimmy Womack

*Signature date supercedes prior approval dates*
In spite of efforts to require that the start date of long term TSRs be far enough in the future so that SPP has sufficient time to study the request, at times the study process itself encroaches upon the start date of a request. In instances where redispatch will be necessary in order to avoid the deferral of service anyway, customers should be provided a reasonable mechanism to avoid the deferral caused by the SPP study process itself. This Business Practice outlines how the terms of Attachment AC\textsuperscript{46} will be applied to secure short-term service under the same terms while the study is pending.

Business Practice

A customer may choose to request Short Term Firm service based on the results of the most current Aggregate Study report in order to mitigate a delay in its long term service under the following conditions:

1. The Customer has a long term TSR actively under study in a pending aggregate study. This requires that the Customer's long term TSR continue to remain in a STUDY status; all necessary Letters of Intent and any other information necessary have been returned and indicate a desire to remain in the study.
2. The most recent applicable aggregate study report posted on the SPP OASIS indicates the service can be provided with existing ATC and/or through a redispatch of facilities on the system.
3. The customer agrees to provide or pay for the cost of redispatch outlined in the aggregate study report and pursuant to Attachment K\textsuperscript{47} of the SPP OATT.

When above conditions are met, the customer may submit a request for Short Term Firm service, consistent with the timing requirements of the SPP OATT. In the comment field, the customer should reference the pending aggregate study request, the most recent aggregate study report posting and include the comment "exercise system impact study option" in accordance with Attachment AC. Attachment AC Section 3.2 and 3.3 call upon SPP to conduct a Feasibility Study and Redispatch Option Identification. SPP will evaluate and approve the request based on the results of the aggregate study already performed and require redispatch consistent with the most current aggregate study report. This procedure of issuing short term firm service may be repeated until the SPP expects to make the next posting of the study or it will be able to APPROVE the associated original long term service request.

Customers utilizing this interim service will be subject to any revised redispatch requirements 15 days after the posting of any subsequent reports for the aggregate study.

The issuance of this interim service would have no impact on the start time or duration of the original TSR continuing to be studied within the aggregate study process. SPP would take necessary actions to assure the impact of the short-term interim service and the pending long-term service under study is not duplicated in other short term studies of system capability.

\textsuperscript{46}SPP OATT \url{http://www.spp.org/publications/spp_tariff.pdf}
\textsuperscript{47}SPP OATT \url{http://www.spp.org/publications/spp_tariff.pdf}
If the long term transmission service request is granted while the short term service is active, SPP will recall the short term service capacity from the deferred start date of the long term service through the end of the short term service.

**Explanation / Rationale**

Attachment Z1 and Attachment Z2 of the SPP OATT outline the procedures under which SPP will conduct Aggregate Transmission Service studies for Long Term Firm Transmission Service. Attachment Z and Attachment P outline the process and timing requirements for submitting transmission requests as well as the timeline under which SPP will conduct such studies. The timelines are set in order to assure that TSRs are submitted with start dates far enough in the future so that SPP has sufficient time to study the request and also provide customers the assurance SPP will complete its study in a timely fashion without introducing unnecessary delays in the start of service. In spite of these requirements, from time to time SPP’s studies extend well beyond the originally expected timelines and beyond start date for some TSRs. This business practice is intended to address those situations where the delays would otherwise unnecessarily lead to a delay in the start of service.

When the most current aggregate study reports indicate the SPP Transmission System can accommodate a TSR using existing ATC and redispatch, delaying the start of service to run subsequent restudies represents an unnecessary delay in the start of service for the TSR. Although it is not possible to issue long-term service agreements until the study is completed, SPP should approve the use of Short-Term Firm Transmission Service, utilizing Attachment AC of the tariff, based on the most recent aggregate study reports as an interim measure to relieve the burden on SPP customers caused by these delays.

**Example**

Situation absent this BP:

A TSR for Long Term Firm Network Transmission Service is submitted in September of 2006 with a service start date requested of November 2007. As a result, the request is included in the aggregate study SPP-2006-AG3. The facility study results indicate the service will require certain upgrades with the 8th posting of the study in October 2007, but the service can be provided without any deferral with certain redispatch requirements. If the study were complete, a service agreement would be issued with those redispatch requirements and the customer’s service would not be delayed. However, since the study is not complete SPP will not issue a service agreement and customer’s long term service is ultimately delayed until November 1, 2008 or one year after the original requested start date.

Situation with this BP:
In October of 2007, the customer would submit and the SPP would approve short-term firm network service requests from the exact same source and sink until the study is completed. The redispatch requirements would be based on the results of the 8th iteration of the study up until the time that the 9th study is posted on November 14, 2007. The redispatch requirements would then be based on the 9th iteration of study until the 10th iteration is posted on April 18, 2008. The redispatch requirements would then be based on the 10th iteration of study until the 11th iteration is posted on September 16, 2008. The approval of short-term interim service under this Business Practice would stop on November 1, 2008 corresponding to the start date of long-term firm service agreements tendered to the customer. With such a process in place, the customer avoids the needless 1-year delay in the start of service.
Business Practice

There may be times when either the Internet or OASIS is down. During these times, the tariff administrator will receive a completed Transmission Reservation request form\(^48\) by fax (501) 803-3756 – Primary Site; (501) 603-0151 – Backup Site. The tariff administrator will respond to a request received by fax in a manner appropriate for the circumstances:

If the unavailability of the OASIS is a localized problem experienced by one or more transmission customers and the tariff administrator still has access, he will enter the faxed request into the OASIS and will notify the transmission customer of changes to its status.

If the unavailability of the OASIS is more widespread and the tariff administrator does not have OASIS access, he will either act on the request if time for responding is less than the time when OASIS is expected to be available, or he will hold the request if the time limit for responding is greater than the time when OASIS is expected to be available.

The tariff administrator will always enter requests into OASIS as soon as he has access to the system.

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3000  Changes in Transmission Service Specifications
3050 Redirect on a Non-firm Basis
(return to TOC)

Section 22.1 of the SPP OATT allows a customer to change to a Secondary POR and/or POD for an existing Firm Point-to-Point reservation on a Non-firm basis without incurring an additional charge for Non-firm Point-to-Point Transmission Service. OASIS S&CP version 1.4 added the functionality to do Redirect Requests on OASIS and identify them with a Request Type of Redirect. A dedicated Related Reference field was also added in OASIS 1.4 to indicate the OASIS reference number of the original request.

Business Practice
The POR/POD of a firm transmission service reservation may be changed (redirected) on a non-firm basis\(^4\) (secondary service on an as available basis), subject to the following conditions:

1. A secondary service request does require a unique OASIS reservation number. This reservation must have an OASIS Request Type of “Redirect” and identify the active firm request in the Related Reference field.

2. A secondary service request does not require modification of the service agreement for long-term firm transmission service, or confirmed application for short-term firm transmission service, that applies to the original firm transmission service request.

3. Secondary service can be displaced by any firm or non-firm reserved or scheduled service except Next-Hour "Buy at Market" Service.

4. Secondary service is only available on an hourly increment.

5. Partial redirects of the previous reservation quantity or period are allowed.

6. Secondary service will be approved only for periods with available transfer capability.

7. The NS-1 transmission customer will be charged the incremental transmission and ancillary service charges for a secondary service path that costs more than the original path at the capped rates for transmission service.

8. Secondary service which has an adverse impact of 5% or greater on a constrained facility under an active TLR event when queued will not be accepted even if the customer has higher priority service on the Provider with the constraint.

Explanation / Rationale
Non-firm Hourly Secondary POR/POD has been added to the Service Types on OASIS. This Service Type must only be used in conjunction with a Redirect Type request. The SPP Scheduling System requires a unique OASIS number that matches the priority of the NERC E-tags submitted and the POR/POD and Source/Sink on the tag must match the reservation.

Example

Customer owns a firm monthly request of 100 MW each hour for the period 5/1 to 6/1, with a POR of KCPL and a POD of CSWS. On 5/10, the customer desires to send 50 MW to CSWS and 50 MW to WFEC. The customer will submit a Redirect Type request with Secondary POR/POD as the Service Type, KCPL as the POR, WFEC as the POD, a Capacity of 50 MW, and the appropriate hourly time frame (assume 10:00 to 14:00). A new reservation number will be created. The first schedule to CSWS would still list the original reservation number on the E-tag and a product code of 7-F. The second schedule to WFEC would list the new reservation number on separate E-tag and a product code of 1-NS. This would be a redirect of firm service on a non-firm basis. The rate will be adjusted because the secondary path costs more than the original path. Additional charges will include transmission service, ancillary services, and losses differential. The non-firm secondary service is on an hourly rate basis, and has reservation priority below other non-firm and firm transmission service. If the Firm Service had already been scheduled to CSWS for 100 MW the entire day, a replacement tag would have to be submitted changing the profile for the hours the redirect is taking place before the redirect schedule would be approved.
3100 Redirect on a Firm Basis

Section 22.2 of the SPP OATT allows a customer to change the POR and POD of an existing firm point-to-point reservation. Any request to redirect transmission service (change POR/POD) on a firm basis is treated as a new request for service. OASIS S&CP version 1.4 added the functionality to do Redirect Requests on OASIS and identify them with a Request Type of Redirect. This eliminated the need for a customer to enter their intentions to redirect a firm request on a firm basis in the comments field. A dedicated Related Reference field was also added in OASIS 1.4 to indicate the OASIS reference number of the original request.

Business Practice

The POR/POD of a firm transmission service reservation may be changed (redirected) on a firm basis, subject to the following conditions:

1. A new Firm Point-to-Point request must be submitted on the SPP OASIS with a Request Type of "Redirect" and have the active request being redirected in the Related Reference field.

2. The new request must be submitted and processed in accordance with the SPP OATT timing requirements for the appropriate class and service increment required.

3. For the period of redirection, the transmission customer will be charged the transmission and ancillary service charges for the redirected path.

4. The start and stop times of the new reservation must be contained within the start and stop times of the original reservation.

5. Partial redirects of the previous reservation quantity or period are allowed.

6. Sufficient ATC must exist to accommodate the new request. For purposes of ATC evaluation, the impacts of the redirected reservation will be replaced by the impacts of the new request during the overlapping period.

7. Once the new request is confirmed, the capacity of the reservation that was redirected becomes available to the Market, subject to any limitations created by flow impacts of the changed POR and/or POD.

8. The portion of a firm reservation not replaced by redirected service will remain in effect.

9. Any Original Yearly service that is redirected on a shorter duration Service Increment will maintain its rollover rights at the POR/POD of the original service reservation under Section 2.2 of the OATT.

10. Any Original Yearly service with reservation priority that is redirected as Yearly service increment but not to the end of the original term will maintain its reservation priority at the POR/POD of the original service reservation under Section 22.2 of the OATT. Any Original Yearly service that is redirected as Yearly to the end of the original term will have reservation priority based on the POR/POD of the redirected service.

Business Practice 1050 – see Types of Point-to-Point Transmission Service
Business Practice 2400 – see Handling of Renewal Rights
11. The Renewal of a Yearly service Redirect is prohibited unless the Redirect being renewed extended to the end of the Original Yearly service term.\footnote{Business Practice 2400 – see \textit{Handling of Renewal Rights}}

**Explanation / Rationale**

A customer owning firm transmission service may change the POR/POD on a firm basis by submitting a new request for service. The new request for service must be evaluated for sufficient ATC. The new request must be submitted according to the timing requirements in Attachment P of the SPP OATT. Because SPP requires appropriate time to evaluate the new request, multiple requests linked in a back-to-back fashion cannot be submitted to circumvent the timing requirements of the type of service that would otherwise need to be submitted to reflect the remaining duration of the original service. If an Original request is of a Yearly Service Increment and redirected on a term less than 12 months, the original service will retain its renewal rights at the POR/POD of the original service reservation under Section 2.2 of the OATT on the original path.

**Example #1**

Customer owns a firm monthly reservation with a POR of AMRN and a POD of ERCOTE. The effective dates of the service are 9/1 to 10/1. The customer wishes to change the POR to EES for a period of 9/15 to 10/1. This will have to be requested as firm weekly. Since the SPP OATT requires a multi-week firm weekly request to be submitted no later than 8 days prior to the start date, the request to redirect would have to be submitted by 9/7. If the request to redirect is approved and confirmed, the customer will be able to use the original request from 9/1 to 9/15 and the request with the redirected POR/POD from 9/15 to 10/1.

**Example #2**

Customer owns a Yearly reservation from 1/1/01 to 1/1/02 with a POR of AMRN and a POD of ERCOTE. In March 2001, the customer desires to redirect this request to a POR of KCPL for the period 5/1/01-10/1/01. The customer will submit a Monthly Firm request from 5/1/01 to 10/1/01, with the new POR/POD and source/sink information. Once the redirect is accepted, the customer will, at that point, have a monthly firm reservation from KCPL to ERCOTE for the period 5/1/01-10/1/01, and the original yearly request from AMRN to ERCOTE for the periods 1/1/01-5/1/01 and 10/1/01-1/1/02. The firm ATC from AMRN to ERCOTE for the period 5/1/01-10/1/01 is then available to the Market, within any limitations created by flow impacts of the new POR/POD. Rollover rights will be maintained on the AMRN to ERCOTE path.
## SPP OATT Business Practices

### Revision History

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<td>1.1</td>
<td>5/22/2001</td>
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<td>OASIS v 1.4 added the ability to do redirect requests and identify them with a request type of Redirect, also and the addition of a Related Reference field to indicate the number of the original request.</td>
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<td>1.2</td>
<td>11/6/2001</td>
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<td>jw</td>
<td>Removed requirement for redirect to be for the balance of reservation term per FERC Order EL01-04-00</td>
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<td>1/7/2004</td>
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<td>1.4</td>
<td>8/2/2004</td>
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<td>Added item 10. addressing reservation priority of yearly service redirected as yearly but not to end of original term; added item 11. limiting renewal of a yearly service redirect.</td>
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### Approval

Primary Owner: Jimmy Womack

Signature date supercedes prior approval dates
Postponing commencement of transmission service by a customer is allowed under the “Extensions for Commencement of Service” provisions specified in the SPP OATT, Section 17.7\(^\text{53}\). The following practice applies.

**Business Practice**

The following rules apply during this practice:

1. The extension of service does not change the service length originally reserved. For example, a five-year service agreement start date delayed one year, the service length will remain five years.

2. The extension of commencement will be reviewed to ensure the transmission system is adequate to accommodate the request.

3. Each deferral of the commencement, up to five deferrals, will pay a month’s charge even if the deferral is less than one year in length.

**Explanation**
The SPP OATT provides extension of the commencement of service.

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If, during the period where a customer has postponed commencement of transmission service, another customer submits a completed application for firm service that can only be filled with the ATC from the existing request under extension, the following practice applies.

**Business Practice**

A reservation date with an extended commencement will be released to satisfy a new firm request that cannot be accommodated otherwise, unless the owner of the extended commencement reservation agrees, within 30 days, to pay the firm point-to-point transmission rate for its reserved capacity concurrent with the commencement date of the competing service. If the customer with the extended commencement of service reservation elects to release the overlapping reserved capacity to the competing service request, the reservation fees or portions thereof previously paid will be forfeited.

**Explanation**

Extension of the commencement of service is provided by the SPP OATT as long as the transmission capacity is not otherwise sought on a more definitive basis. The SPP OATT does not require SPP to forego the firm sale of the transmission capacity because an extension of commencement of services has been offered to an existing customer. This is consistent with SPP’s obligation to administer the OATT in a non-discriminatory manner to remove impediments to competition in the wholesale bulk power marketplace.
4000  Network Integration Transmission Service
4050  Initial Application for Network Integration Transmission Service

The following practices apply to the initial application for NITS under the SPP OATT\textsuperscript{54}.

**Business Practice**

- Only one request for NITS is required to be submitted on the SPP OASIS to obtain a queue time and reservation priority.

- An initial request for NITS must be at least one year in length and must be submitted no later than 60 days prior to start of service.

- The POR and POD identified on the OASIS request should be the transmission zone where the majority of the designated Network Load is located. The capacity requested should be the anticipated peak of the designated Network Load.

- A written application containing the data specified in section 29.2 of the SPP OATT must be sent to SPP at or near the same time the OASIS request is made. The customer may use the NITS application for this purpose.\textsuperscript{55}

- SPP may require posting of additional OASIS reservations to more properly reflect location of designated Network Resources and Network Loads.

\textsuperscript{54} SPP OATT Section 29.2 - http://www.spp.org/publications/spp_tariff.pdf

\textsuperscript{55} SPP NITS Application
Network Integration Network Service (NITS) is offered by SPP under Part III of the SPP OATT. NITS is offered on a firm basis for delivery of capacity and energy from designated Network Resources to Network load or on a non-firm basis to deliver energy to Network Load from resources not designated as Network Resources. The following practices apply to all NITS unless otherwise qualified by a more specific practice.

Business Practice

- Customers must submit a valid request on the SPP OASIS with valid POR/POD, source and sink information as an initial application for NITS, to add or modify a designated Network Resource, or to identify the utilization of a non-designated Network Resource.

- Requests for NITS from designated Network Resources must be submitted on the OASIS according to the timing requirements for a like term of firm point-to-point transmission service specified in Attachment P of the OATT.

- Requests for NITS from non-designated Network Resources must be submitted on the OASIS according to the timing requirements for a like term of non-firm point-to-point transmission service specified in Attachment P of the OATT.

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56 SPP Business Practice 2100 - see Valid Reservation POR/POD
57 SPP Business Practice 2150 - see Valid Reservation Source/Sink

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4150 Requesting Network Integration Transmission Service from New Designated Network Resources

The SPP OATT allows a network customer to add or modify its Network Resources designated in the initial application for NITS\(^60\). The following practices apply to the initial application for NITS under the SPP OATT.

**Business Practice**

- A new request for NITS from designated Network Resources must be submitted on the SPP OASIS for each new resource. Multiple resources to be added at the same time located within the same transmission zone may be combined in one request.

- Additional Network Resources may be designated to serve Network Load for a term of one day or greater.

- A written application\(^{61}\), signed by the customer, containing confirmation that the resource qualifies as a designated Network Resource must be received by SPP prior to confirmation of the OASIS request. In order to qualify as a designated Network Resource, schedules from the resource cannot be interrupted for economic reasons. Sources of generation referred to as firm LD (or financially firm) products, will be allowed as designated Network Resources provided these products cannot be interrupted for economic reasons. A customer may properly designate resources from system purchases not linked to a specific unit provided the purchases cannot be interrupted for economic reasons.

- The POR\(^{62}\) identified on the OASIS request should be the transmission zone where SPP receives capacity and energy from the new resource.

- The POD\(^{63}\) identified on the OASIS request should be the transmission zone where the designated Network Load is located.

- A valid source and sink\(^{64}\) should be identified.

- Firm transmission service, which includes conditional firm, must be used to deliver capacity and energy from a designated Network Resource located outside the network of the SPP Transmission Owners. The reservation number of the firm transmission service being used to facilitate the addition of such a designated Network Resource must be included in the comments of the SPP OASIS request. This firm transmission service must have a term equal to or greater than the term of the Network Resource designation.

- The capacity reserved should be the capacity being designated on the new Network Resource to serve the designated Network Load.

- The Service Agreement for NITS will be updated as necessary.

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\(^{60}\) SPP OATT Section 30.2 - [http://www.spp.org/publications/spp_tariff.pdf](https://www.spp.org/publications/spp_tariff.pdf)


\(^{62}\) Business Practice 2100 - [Valid Reservation POR/POD](http://www.spp.org/publications/spp_tariff.pdf)

\(^{63}\) Business Practice 2100 - [Valid Reservation POR/POD](http://www.spp.org/publications/spp_tariff.pdf)

\(^{64}\) Business Practice 2150 - [Valid Reservation Source/ Sink](http://www.spp.org/publications/spp_tariff.pdf)
### SPP OATT Business Practices

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<td>0810pcsBP4150</td>
<td>Requesting Network Integration Transmission Service from New Designated Network Resources</td>
<td>1.4</td>
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<td>1.1</td>
<td>5/24/2004</td>
<td>5/24/2004</td>
<td>jw</td>
<td>Network service minimum increment changed from one month to one day; application for such now required to be signed by both parties; conditions of use specified.</td>
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<td>1/14/2009</td>
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#### Approval

**Primary Owner:** Jimmy Womack

*Signature date supersedes prior approval dates*
4200 Requesting Network Integration Transmission Service from Non-Designated Network Resources

The SPP OATT allows a network customer to deliver energy to Network Load from resources not designated as Network Resources on an as available basis. The following practice applies to the required notification to SPP of such intended use of NITS.

Business Practice

- A request for NITS from non-designated Network Resources must be submitted on the SPP OASIS for each resource not designated to serve the customer’s Network Load. Multiple non-designated resources to be utilized at the same time located from the same electrically equivalent sources and within the same AFC zone may be combined in one request.

- NITS from non-designated Network Resources may be used on an hourly, daily, weekly, or monthly basis.

- The POR identified on the OASIS request should be the transmission zone where SPP receives energy from the non-designated Network Resource.

- The POD identified on the OASIS request should be the transmission zone where the designated Network Load is located.

- A valid source and sink should be identified.

- The Request Reference Field on the reservation should include the original network service OASIS reference number.

- Only the customer with the confirmed network service for the load, or a designated agent acting on their behalf, can request network service from non-designated network resources for that load.

- NITS customers may only reserve up to 110% of their designated firm capacity on a non-firm basis at any time. Per the SPP OATT, a network customer’s use of the interface capacity with other transmission systems may not exceed the network customer’s load.

- The capacity reserved should be the maximum energy to be utilized in the specified service increment from the non-designated network resource to serve the designated network load.

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66 Business Practice 2100 – see [Valid Reservation POR/POD](http://www.spp.org/publications/spp_tariff.pdf)
67 Business Practice 2100 - see [Valid Reservation POR/POD](http://www.spp.org/publications/spp_tariff.pdf)
68 Business Practice 2150 – see [Valid Reservation Source/Sink](http://www.spp.org/publications/spp_tariff.pdf)
### SPP OATT Business Practices

**Dept:** Tariff Administration  
**Doc ID:** 0810pcsBP4200  
**Document Title:** Requesting Network Integration Transmission Service from Non-Designated Network Resources  
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<td>8/2/2004</td>
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<td>jw</td>
<td>Added requirement to include original network service OASIS reference number in Related Reference Field. Added parties that may request network services from non-designated resources for a load.</td>
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<td>Changed transmission zone to AFC zone. Also, added bullet addressing the amount of non-firm reservations a NITS customer may make from non-designated resources.</td>
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### Approval

**Primary Owner:** Jimmy Womack  
**Signature Date:** [Signature date precedes prior approval dates]
4250 Undesignation of a DNR with Simultaneous Designation of a New Network Resource

Section 30 of the SPP OATT allows a customer to designate a new network resource and to terminate an existing network resource\(^69\). OASIS S&CP version 1.4 added the functionality to do redirect Requests on OASSIS and identify them with a Request Type of Redirect. A dedicated Related Reference Field was added in OASIS version 1.4 to indicate the OASIS reference number of the original request.

Business Practice

A customer may chose to replace an existing Designated Network Resource (DNR) on a temporary basis subject to the following conditions:

- The customer has an existing reservation that is specific to the current DNR and is not imbedded in a single request that includes multiple DNR's.
- A new request must be submitted on the SPP OASIS with a request type of “Redirect” and have the active request being undesignated in the Related Reference Field.
- The “Application to Undesignate Network Resource” and “Application to Designate a New Network Resource Under SPP NITS” forms must be filled out and faxed to SPP.
- The new request must be submitted and processed in accordance with the SPP OATT timing requirements for the appropriate class and service increment required.
- The start and stop times of the new reservation must be contained within the start and stop times of the original reservation.
- Partial undesignations of the previous reservation quantity or period are allowed.
- Sufficient ATC must exist to accommodate the new request. For the purposes of ATC evaluation, the impacts of the undesignated reservation will be replaced by the impacts of the new request during the overlapping period.
- Once the new reservation is confirmed, the capacity of the reservation that was undesignated becomes available to the market, subject to any limitations created by flow impacts of the new reservation.
- Any portion of the original request not undesignated shall remain in effect.
- Any original Yearly service that is undesignated on either a shorter duration Service Increment or undesignated on Yearly service but not to the end of the original request will maintain its rollover rights from the original DNR.

Explanation/Rational

A customer having existing network service under the SPP OATT may designate a new Designated Network Resource. An existing network customer may wish to replace an existing DNR with an alternate DNR on either a short term or long term basis. Under the current design of the OASIS system the only way to properly evaluate this change is to require the customer to use the existing redirect process on the OASIS system to make sure that the customer’s original request is not being utilized at the same time as the new DNR. The new request must be evaluated for sufficient ATC. The new request must be submitted within the timing requirements in attachment P of the SPP OATT. If an original request is of Yearly service increment and redirected on a term less than 12 months and not extending to the end of the original service reservation, the customer will maintain its renewal rights from the original DNR.

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Approval
Primary Owner: Jimmy Womack

Signature date supersedes prior approval dates
4300 Elevation of Transmission Service Priority for NITS Customers

SPP as the Transmission Service Provider will use this practice in coordination with NERC Energy Emergency Alerts (EEA) for an entity receiving NITS from SPP.

**Business Practice**

Requirement 9 of NERC Reliability Standard EOP-002\(^\text{70}\) contains the following language:

*When a Transmission Service Provider expects to elevate the transmission service priority of an Interchange Transaction from Priority 6 (Network Integration Transmission Service from Non-designated Resources) to Priority 7 (Network Integration Transmission Service from designated Network Resources) as permitted in its transmission tariff…*

The language of the NERC standard implies that a NITS customer may be allowed to elevate the transmission service priority of an NN-6 interchange transaction to F-7 during a declared energy emergency (EEA2 or EEA3). However, the SPP OATT\(^\text{71}\) contains no provision for elevating transmission service priority from NN-6 to F-7 as contemplated in EOP-002, Requirement 9. During a declared emergency condition (EEA2 or EEA3), SPP will not apply this requirement at the request of a NITS customer. NITS customers seeking F-7 service priority for their interchange transaction(s) during a declared emergency condition should thus schedule transactions from designated network resources eligible for F-7 service during such conditions.

**Explanation / Rationale**

This Business Practice is intended to be general information for SPP customers.

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**Approval**

Primary Owner: Jimmy Womack

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5000  Scheduling and Tagging
5050 Schedule Timing Requirements

SPP requirements for submission and processing of schedules are listed in Attachment P to the SPP OATT.

Business Practice

Schedules for all Firm transmission service have a submission deadline of no later than 1200-day prior. A late Firm Schedule will be allowed even if the unscheduled Firm has been sold on a Non-Firm basis. The Late Firm Schedule must be received at least 1 hour prior to start to displace Non-Firm.

All schedules must be evaluated and approved within the timelines listed for NERC tagging. Those timing requirements are:

- Hourly tags submitted one hour or less prior to the start must be evaluated in ten minutes. Hourly tags submitted more than an hour but less than four hours prior to start must be evaluated in 20 minutes.
- Tags of duration less than 24 hours that are submitted four hours prior or more prior to start must be evaluated in two hours.
- Tags of duration 24 hours or more must be evaluated in two hours.

Schedules that have not been approved within the NERC approval timing requirements will result in a passive denial as per NERC tagging requirements.

73 SPP Business Practice 5250 – see Late Schedules
SPP OATT Business Practices

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Approval

Primary Owner: Shari Brown

Shari Brown

Signature date supersedes prior approval dates
**5100 Valid Tag POR/POD**

(return to TOC)

**Business Practice**

Valid tag PORs and PODs are valid reservation PORs and PODs[^74]. A Tag will be denied as INVALID if the POR/POD does not match the valid POR/POD on the referenced reservation.

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[^74]: SPP Business Practice 2100 - see [Valid Reservation POR / POD](#)
5150  Valid Tag Source/Sink

Business Practice
Valid tag sources and sinks are valid reservation sources and sinks. A Tag will be denied as INVALID if the source/sink does not match the valid source/sink on the referenced reservation. Two exceptions to this rule are:

1. Transmission service has been properly combined with other transmission service, and both are present on the tag.

2. The source/sink on the reservation is considered electrically equivalent with the source/sink on the tag.

Explanation / Rationale
The source and sink on a tag must match the source and sink shown on the reservation to ensure that the impacts expected by the ATC calculation for the reservation are the same as those ultimately incurred during scheduling, and to ensure proper pricing.
5200  Tag Denial Criteria
(return to TOC)

SPP validates all tags against the referenced reservation/s.

**Business Practice**
SPP will deny a tag as incorrect for the following reasons:

- Incomplete fields for required information per the latest NERC E-Tag specification
- The referenced SPP OASIS reservation does not exist
- The referenced SPP OASIS reservation is not CONFIRMED
- SWPP must exist in the CA column on the tag for each SWPP reservation referenced
- The Transmission Product Code(s) on the tag does not match the Reservation(s)
- The Tag’s Start / Stop times do not fit within the Reservation’s date / time
- The PSE on the Tag does not match the Reservation Customer
- Scheduled capacity exceeds reserved capacity, including all tags scheduled against the reservation
- Losses section not completed properly
- Redirected service without a reservation
- POR / POD on the tag does not match POR/POD on the reservation
- The tag failed Market Entity validation for any SPP market participant. (SPP sources and/or sinks that are not properly mapped to a market participant settlement location.)

*SPP may deny a tag if the source / sink on the tag does not match the source / sink on the reservation*  

*SPP may deny a tag if it is incomplete (amount not specified).*

*SPP may deny a tag if it is late.*

---

*SPP Business Practice 2150 – see [Valid Reservation Source / Sink](#)*

*SPP Business Practice 5250 – see [Late Schedules](#)*
### SPP OATT Business Practices

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**Approval**

Primary Owner: Shari Brown


Signature date supersedes prior approval dates
5250 Late Schedules

Attachment P to the SPP OATT lists the time requirements for initial submission of energy schedules, and changes to schedules. Any schedule submitted after the OATT Attachment P timing requirements, as modified in Business Practice 5050, is considered late.

Business Practice

Schedules are due 20 minutes prior to the implementation of the schedule. Tags received less than 20 minutes prior to the implementation of the schedule will be considered late and will generally be denied. Subject to the sole discretion of the SPP Reliability Coordinator, late tags may be accepted for system reliability reasons. These exceptions will be posted the next day with the following information: Tag ID, reason for exception and PSE that created the tag.

SPP will approve a late schedule for Firm service although the unscheduled firm transfer capability has already been sold on a Non-Firm basis if the Late Firm Schedule is received at least 1 hour prior to start.

If displacement of Non-Firm is required, the curtailment will be done according to NERC TLR procedures. If schedules indicate that the SOL of any flowgate will be exceeded, NERC TLR will be called to relieve the overload. The NERC TLR process includes curtailments across the DC Ties. However, SPP may or may not use the NERC IDC to facilitate curtailment of DC Tie Schedules.

For DC Ties or Contract Limit Paths

ATC for the next day that is made available due to unscheduled Firm reservations will be sold as Non-Firm service beginning at noon of each day. Firm schedules submitted after noon the day prior but by hh:15 of the hour prior to start, may cause a DC tie or contract path to be oversold and Non-Firm service that has been scheduled to be displaced.

If the displacement of Non-Firm schedules is required, displacement will be done using the same procedures, as a NERC TLR. Schedules will be curtailed on a pro-rata basis, beginning with the schedules using the lowest NERC priority reservations, until the DC tie or contract path limit is no longer exceeded.

Non-Firm schedules using higher NERC priority reservations that displace schedules using lower NERC priority reservations will be processed in the same manner as Firm schedules displacing Non-Firm schedules. If displacement of service is required by the submission of Non-Firm schedules, the schedules must be submitted by hh:15 of the hour prior to start. Schedules submitted after hh:15 of the hour prior to start will be processed for approval if practicable. If schedules are curtailed due to being displaced by a schedule using a higher NERC priority reservation, only the amount curtailed will be recalled from the reservation. The tag curtailed by the SWPP TP will serve as the notification to the operator of the DC tie and the PSE of the curtailments.
### SPP OATT Business Practices

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### Approval

**Primary Owner:** Shari Brown  

[Signature Image]

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79
5300 Schedule Denial Criteria

SPP validates all schedules to ensure that SPP is included as the scheduling entity where appropriate.

Business Practice
SPP will deny a schedule as incorrect for the following reasons:

- The schedule does not meet any of the requirements stated in Business Practice 5200- Tag Denial Criteria.
- SPP is not included as a scheduling entity in the Physical path for any schedule using SPP Transmission service.
- SPP is not included as a scheduling entity between SPP and any other Balancing Authority/first tier, such as WECC, MISO, and ERCOT. SPP is not included as a scheduling entity in the Physical path for any schedule into, through or out of the SWPP BA.
- If the START or STOP times for any Day Ahead Market Import, Export, or Through Interchange Transaction schedule profile are submitted in the :51 - :59 or :01 - :09 periods. Available times will be at the top of the hour or any other time outside of the :51 - :59 or :01 - :09 periods of the hour.
- If the submitted ramp duration from the START or STOP of any schedule profile is less than the duration of the schedule profile.
5350  Emergency Service Tag

(return to TOC)

Business Practice

If the service needed is emergency service for immediate implementation, no tag is required. SPP will complete and submit a reservation request\(^7\) post contingency for the PSE, as pre-scheduled and pre-approved.

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\(^7\) SPP Business Practice 1550 – see Emergency Transmission Request
Business Practice
SPP, acting in the Scheduling Entity or Tariff Administration capacities, does not have the capability to cancel, terminate, withdraw or correct a tag. These actions must be done by the PSE\textsuperscript{80}. SPP may request such actions be taken when a tag is in error under the following circumstances:

- SPP has incorrectly approved the tag.
- An SPP member with approval rights has incorrectly approved the tag.
- At least one of the reservations used on the tag is in error.
- SPP or an SPP member with approval rights has denied a tag/schedule within scheduling timing rules, but the tag was implemented under tagging rules.

If the PSE does not comply with the request made by SPP, SPP may take further action including curtailment of the tag.

\textsuperscript{80} NERC Appendix 3D - \url{http://reg.tsin.com/Tagging/e-tag/e-tag-spec-v-18-20071107.doc}
5450 Loss Provision Requirements for Network Integration Transmission Service

**Business Practice**

Self-provided losses are no longer allowed for any tags per Tariff.

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**Approval**

Primary Owner: Shari Brown

Digitally signed by Shari Brown
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Date: 2014.10.27 16:39:40 -05'00'
5950 Back-up Procedures for Tag Submission

SPP will follow NAESB WEQ-004 Appendix A: e-Tagging Service Performance Requirements and Failure Procedures - when the e-Tag system is not functioning properly. There are two situations addressed by this Business Practice: Tag Agent Failure and Tag Authority Failure.

Business Practice e-Tag Agent Failure
If a Purchasing Selling Entity (PSE) is experiencing technical problems with their e-Tagging system such that they cannot deliver tags via the electronic process, they should first attempt to find another PSE to submit the tag for them.

If the PSE cannot find another PSE to submit the tag, SPP will accept a faxed tag if received by the submission deadline. The SPP E-Tag backup Form can be found on SPP's OASIS. O:\\Tariff\Posted on OASIS\New\sppbackupfaxttag.xls (FAX # and e-mail address on form)

The SPP operator will evaluate the tag submitted in Backup form for SPP Business Practices and if approved will work with the Source BA (if SWPP is the Sink BA) or Sink BA (if SWPP is the source BA) based upon the agreed upon status.

Tag Authority Failure
If SPP loses electronic Tag Approval capability, the SPP Reliability Coordinator will notify all other Reliability Coordinators via the RCIS, and all Control Areas by voice communication.

SPP will accept and respond to tags submitted in Backup form. When SPP’s Tag Authority (OATI) is unavailable, the SPP Operator will respond to the PSE by voice communication, acknowledging receipt of the tag submitted in Backup form.

The SPP Operator will evaluate the tag submitted in Backup form for SPP Business Practices and if approved, SPP will communicate information to all involved parties. If the SPP Operator requires assistance to be able to meet tag submission deadlines, the Operator, will request that the issuing PSE will submit the tag to other parties involved. Receipt of the transaction by each party will be confirmed by voice communication.

The SPP operator will evaluate the tag submitted in Backup form for SPP Business Practices and if approved will work with the Source BA (if SWPP is the Sink BA) or Sink BA (if SWPP is the source BA) based upon the agreed upon status.

Note: Day Ahead Market bids and/or Offers cannot be made via tags submitted in Backup form during the Tag Authority Failure.

By 10 minutes prior to start of the transaction, the SPP Operators will set the tag status and communicate that status to all affected entities. (Intermediate Transmission Providers and Control Areas will be passively approved) SPP and the alternate Balancing Authority will act on the tag based upon the agreed to status. The SPP Operator will enter the approved tags submitted in Backup form into the electronic scheduling system as soon as it is returned to service.

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SPP OATT Business Practices

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Approval

Primary Owner: Shari Brown

Signature date superseded prior approval dates

Digitally signed by Shari Brown
DN: cn=Shari Brown, ou=Southwest Power Pool, ou=Tariff and Interchange, email=sbrown@spp.org,
c=US
Date: 2014.10.27 16:46:16 -05'00'
6000 Congestion Management
SPP will follow the procedures for implementing congestion management with redispatch provision as stated in the Redispatch for Firm Service white paper following the guidelines in this Business Practice.

**Business Practice**

When directed by the SPP Reliability Coordinator that redispatch is necessary to mitigate an overload condition, the customer shall:

1. Submit or direct scheduling agent to submit an Emergency Transmission Service request in accordance to Business Practice 1.12.
2. Submit or direct scheduling agent to submit an Emergency Service Tag in accordance to Business Practice 4.7.
3. Implement redispatch requirements.

Furthermore:

- Redispatch requirements must be met and maintained even if a TLR Level 5 is implemented.
- If required relief as stated in the redispatch agreement is not provided through the redispatch requirements or the redispatch is not implemented in a timely manner the schedule will be curtailed/adjusted.
- If at any time during an active TLR level 5 the redispatch requirements are not met the schedule will be curtailed/adjusted.

**Explanation / Rationale**

When given the option of redispatch, the customer is fully aware that it may be called on to implement the provision when conditions warrant. By confirming a reservation with redispatch provision, the customer assumes the responsibility to take such actions to alleviate a condition that would not exist if the service request had not been granted.

This Business Practice addresses the following white paper:

**Implementing Congestion Management with Redispatch Provisions**

**Assumptions**

- Reservation\textsubscript{A\rightarrow B} = 100 MW from A to B
- Transaction\textsubscript{A\rightarrow B} = 100 MW from A to B using Reservation\textsubscript{A\rightarrow B}
- Customer = B
- Flowgate Impacts = 10 MW on Flowgate 1
- Redispatch Requirement = 50 MW from Unit A1 to A2

If generators associated with Redispatch Requirement are Self-Dispatched:
1. Call TLR 3. IDC and the Curtailment Adjustment Tool (CAT) will curtail or adjust appropriate non-firm transactions from resources not offered to Market. Activate Flowgate in Constraint Manager to initiate required Market Redispatch to remove non-firm market flow. Continue the TLR until flow is maintained within the operating limit of Flowgate 1 or all non-firm transactions and non-firm market flows have been curtailed. If all non-firm flows have been curtailed and remaining flows still exceed the Flowgate limit, move to next step.

2. Call TLR 4. SPP Reliability desk notifies Customer B of requirement to implement Redispatch Requirement. Customer B must initiate the creation and submittal of an appropriate tagged schedule to facilitate the Redispatch Requirement through their Scheduling Agent pursuant to the applicable redispatch agreement. Customer B or their Scheduling Agent will initiate the submittal of an Emergency Transmission Service request on the SPP OASIS for tagging purposes. If flows are maintained with the Flowgate limit, no further action is needed. If flows still exceed the limit and no action has been taken to implement the redispatch, move to next step after 30 minutes, unless quicker action is required by system conditions.

3. If the schedule necessary to meet the Redispatch Requirement has not been submitted and implemented, curtail/adjust TransactionA-B. If flows still exceed the Flowgate limit, move to next step. If at any time during TLR 4 the Redispatch Requirement is not met, TransactionA-B will be curtailed/adjusted before proceeding to TLR 5. In a transaction where multiple reservations are used, only the portion of the transaction supported by a reservation with a redispatch requirement will be curtailed/adjusted.

4. Call TLR 5 to curtail necessary firm transactions and market flow on a pro-rata basis. If at any time during TLR 5 the Redispatch Requirement is not met, TransactionA-B will be curtailed/adjusted to the extent of the redispatch requirement before initiating further curtailments of other firm transactions.

If generators associated with Redispatch Requirement are Available for market dispatch:

1. Call TLR 3. IDC and the Curtailment Adjustment Tool (CAT) will curtail appropriate non-firm transactions from resources not offered to Market. Activate Flowgate in Constraint Manager to initiate required Market Redispatch to remove non-firm market flow. Continue the TLR until flow is maintained within the operating limit of Flowgate 1 or all non-firm transactions and non-firm market flows have been curtailed. If all non-firm flows have been curtailed and remaining flows still exceed the Flowgate limit, move to next step.

2. Call TLR 4. If the total Dispatchable Range for generators involved in Redispatch Requirement is less than 50 MW or if offered ramp rates will not allow full affect of Redispatch Requirement within 15 minutes, SPP will notify Generator Owner A to effect appropriate Resource Plan changes. Notify Customer B of requirement to implement Redispatch Requirement. Customer B must initiate the creation and submittal of an appropriate tagged schedule to facilitate the Redispatch Requirement through their Scheduling Agent. Customer B or their Scheduling Agent will initiate the submittal of an Emergency Transmission Service request on the SPP OASIS for tagging purposes. If flows are maintained with the Flowgate limit, no further action is needed. If flows still exceed the limit and no action has been taken to implement the redispatch, move to next step after 30 minutes, unless quicker action is required by system conditions.

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82 The tagged schedule must be a single schedule from A1 to A2. Emergency Transmission Service will be required to deliver from A1 to A2. Emergency Transmission Service must be requested on the SPP OASIS pursuant to SPP Business Practice 1.12 guidelines.
3. If the schedule necessary to meet the Redispatch Requirement has not been submitted and implemented or Generator Owner A cannot achieve the required Dispatchable Range and offered ramp rates, SPP will curtail/adjust Transaction\textsubscript{A,B}. If flows still exceed the Flowgate limit, move to next step. If at any time during TLR 4 the Redispatch Requirement is not met, the portion of Transaction\textsubscript{A,B} subject to redispatch will be curtailed/adjusted before proceeding to TLR 5. In a transaction where multiple reservations are used, only the portion of the transaction supported by a reservation with a redispatch requirement will be curtailed/adjusted.

4. Call TLR 5 to curtail necessary firm transactions and market flow on a pro-rata basis. If at any time during TLR 5 the Redispatch Requirement is not met, Transaction\textsubscript{A,B} will be curtailed/adjusted to the extent of the redispatch requirement before initiating further curtailments of other firm transactions.

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**Revision History**

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**Approval**

Primary Owner: Jimmy Womack

Disclaimer: Signature date supersedes prior approval dates
SPP follows NERC policy for curtailing transactions in TLR. The SPP practice for approving new transmission service and tags for any transmission facility in TLR 2 (Level 2) or above is as follows:

For a TLR Level 2 or above called by SPP

1. No new transmission service adversely affecting the constraint will be approved for the period of time during which TLR is expected to continue.

2. No late schedules will be approved except as stated in Business Practice 4.5

Explanation / Rationale

SPP will accept a firm or non-firm schedules received by the scheduling deadline, regardless of whether SPP is in TLR at the time the schedule is submitted.

By accepting an on-time firm schedule, SPP agrees that the schedule met the submission deadline and will be allowed to start unless TLR Level 5 or above is called.

By accepting a non-firm schedule, SPP only agrees that, if a TLR is underway and the transaction does not significantly impact the constrained facility, the transaction will be allowed to start.

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Approval

Primary Owner: Jimmy Womack
SPP administers reservations and schedules at certain points on the system which have specific capacity and transmission limitations. Such points include, but are not specifically limited to, DC Ties, tie line limitations, first tier interfaces and various paths with capacity and transmission limitations. Stated limitations are due to operational restrictions and must be maintained for reliability of the bulk electric system. The stated or contractual limit may require modification due to changes associated with on-line generation and/or transmission system topology.

Business Practice
There are various procedures that may be implemented in order to maintain system reliability during an abnormal condition.

- Transmission Loading Relief (TLR) - When the observed loading on a Flowgate approaches an SOL or IROL, the SPP Reliability Coordinator, at his discretion, may elect to initiate the NERC TLR procedure. Upon the initiation of the TLR, the involved Flowgate will be activated (if not already activated) in the SPP Market Operating System (MOS) and appropriate physical transactions and market schedules will be curtailed (via Interchange Distribution Calculator (IDC) and Curtailment and Adjustment Tool (CAT) on a pro-rata basis to return the Flowgate loading to an acceptable level.

- Transmission Service Provider (TSP) - When the stated or contractual limit requires modification due to conditions on the bulk electric system, the Transmission Operator will normally notify SPP of the circumstances surrounding the required modification. Concurrently the SPP Shift Engineer and Reliability Coordinator will become aware of the circumstances through their real time monitoring systems. The Transmission Operator will inform SPP of any new limits resulting from such an event. The SPP Reliability Coordinator and SPP Shift Engineer will input the modified parameters into the production system. Schedule adjustments will be done by the TSP, when feasible, when stated limitations are exceeded causing an oversale condition due to operational changes. Schedule adjustments or TSP curtailments will be based on NERC priority beginning with the lowest priority. If more than one schedule is active using the same NERC priority level, the adjustments or TSP curtailments will be done on a pro-rata basis following the same procedure used when a NERC TLR is issued. If only one customer is impacted and that one customer has multiple schedules that can be adjusted, the customer may be given the option to achieve the necessary relief by adjusting the schedule/s of their choice instead of pro-rata curtailments being done. These schedule adjustments or TSP curtailments could impact all schedules up to and including Firm (F-7) schedules, if necessary. When transactions are required to be adjusted or curtailed, the impacted customer or PSE should receive notification from the SPP Tariff Administrator.
Congestion Management Event (CME) – During an event that causes a change in the SOL or IROL, the SPP Reliability Coordinator and SPP Shift Engineer will evaluate the current flow with regards to the new SOL or IROL. If the current schedules and/or system flows are above the new limit, the SPP Reliability Coordinator, at his discretion, may elect to initiate the NERC TLR procedure to reduce applicable schedules and/or flows. Schedule adjustments may also be effected through Transmission Service Provider curtailment or voluntary schedule adjustment by the Transmission Customer. The method of schedule adjustment is established by the timing of and urgency required by specific events and the nature of the congestion experienced. Appropriate action will be determined by examining the profile and nature of current schedules.

Explanation / Rationale
This Business Practice is intended to be general information for SPP customers and may not include all SPP processes or procedures that may be implemented during an abnormal condition.

i. The SPP Reliability Coordinator has the responsibility and authority to address a potential or actual SOL or IROL, per NERC Standard IRO-006-4.1.

ii. A Transmission Operator and Transmission Customer has the responsibility to address a potential or actual SOL or IROL, per NERC Standard IR0-006-4.1

iii. The Transmission Service Provider (SPP) has the responsibility and authority to curtail schedules, up to and including Firm schedules, when an emergency or unforeseen condition impairs or degrades the reliability of the Transmission System, per Section 13.6 of the SPP Tariff. SPP Business Practice 1500 outlines the RTO Tariff Administrator’s responsibility and authority to curtail schedules following an outage on the SPP AC system.

iv. Congestion Management Event is described in section 6.8 of the SPP Market Protocols, Schedule Curtailment/Adjustment under SPP Congestion Management
7000  Transmission Planning and Expansion
A SPP Notification to Construct (NTC) letter is a formal SPP document directing the commencement of construction of Network Upgrades intended to meet SPP Transmission Expansion Plan (STEP), SPP Open Access Transmission Tariff (OATT), or Regional Transmission Organization (RTO) Determined Needs.

The authority for SPP to issue an NTC is derived from approval by the SPP Board of Directors, a FERC filed Service Agreement under the SPP OATT, an endorsed Economic or Sponsored Upgrade upon the execution of a contract that financially commits a Project Sponsor to fund such upgrade, or when such upgrade is otherwise required pursuant to the tariff.

The issuance of an SPP NTC represents that the Network Upgrade is eligible for cost recovery under the SPP OATT.

Business Practice

Business Practice

An SPP NTC may be issued for Network Upgrades originating from, but not limited to, the following processes: (NOTE: These are descriptions of when a NTC may be issued and are not SPP OATT definitions.)

- **ITP Study Process**
  Integrated Transmission Planning (ITP) study Network Upgrades as directed for construction by the SPP Board of Directors in accordance with Attachment O of the SPP OATT.

- **Balanced Portfolio**
  Network Upgrades identified in an approved Balanced Portfolio which was developed in accordance with Attachment O of the SPP OATT.

- **Sponsored Upgrades**
  Network Upgrades which have received the endorsement of the SPP Board of Directors and the financial commitment of a Project Sponsor(s).

- **SPP Tariff Studies – Transmission Service studies**
  Network Upgrades identified in Service Agreements entered into pursuant to the SPP OATT to accommodate new Transmission Service.

- **Generation Interconnection Upgrades**


Network Upgrades required by a generation interconnection agreement to be constructed by a Transmission Owner(s) other than the Transmission Owner that is a party to the generation interconnection agreement.

- **High Priority Upgrades**
  Network Upgrades identified through a high priority study as directed for construction by the SPP Board of Directors in accordance with Attachment O of the SPP OATT.

- **Out of Cycle Reviews**
  Local planning or sub-regional studies may reveal additional economic or reliability Projects beneficial or necessary to the transmission network. These proposed Projects may be submitted to the RTO for consideration for an out of cycle review by the SPP Board of Directors. Out-of-cycle Projects receiving approval from the SPP Board of Directors for inclusion in the STEP may receive an NTC depending on the nature, timing and urgency of the Project.

SPP recognizes that other factors beyond SPP governing documents may result in system Network Upgrades which are reasonable and appropriate. These Network Upgrades may not require an NTC. The NTC process shall not relieve a Transmission Owner of its obligation to construct, own or operate its transmission system as required in any other law or regulation or as required by the SPP OATT and Membership Agreement.

**SPP will issue a Notification to Construct under the following conditions and Time Constraints:**

- **Approved Network Upgrades from ITP/High priority studies:**
  
  Unless previously issued, SPP staff will issue NTCs for all Network Upgrades approved by the SPP BOD for which financial commitment is required prior to the approval of the next update of the SPP Transmission Expansion Plan. Such an NTC will be issued within 15 business days from the time the SPP Board of Directors approves the project.

- **Sponsored Upgrades:**
  
  - an NTC will not be issued for an endorsed Sponsored Upgrade until a project sponsor is financially committed to pay for the Sponsored Upgrade.

- **Network Upgrades related to transmission service requests:**
  
  - Unless previously issued, SPP staff will issue NTCs for all identified projects associated with Transmission Service Agreements (TSA) within 15 business days from the time at which SPP receives from all customers in an Aggregate Study executed TSA(s) or written request(s) from customer(s) requesting a TSA be filed unexecuted.
• Network Upgrades related to generation interconnection requests;

• Unless previously issued, SPP staff may issue NTCs for identified project(s) associated with Generation Interconnection Agreement(s) (GIA) within 15 business days from the effective date of the GIA(s).

Withdrawal or Modification of a Notification to Construct

**NTC MODIFICATION**

It is recognized that from time to time modifications may be necessary to NTCs. The following sections outline the process to be used and the conditions under which an NTC may be modified.

**PROCESS**

In the event that changes occur that could cause an NTC for a Project to be modified, SPP may re-study the need for the Project. Changes that could cause an NTC for a Project to be modified include but are not limited to:

- Change in scope
- Change in cost estimates
- Change in the In-Service Date or Need Date
- Changes in load
- Changes in generation
- Annulment of Transmission Service Requests (“TSR”)
- Change in local planning criteria
- Modeling error
- Change in Designated Transmission Owner

But must not:

- Cause adverse impact to Service Agreements or other contractually committed service under the SPP OATT.
- Render firm transmission service under the OATT undeliverable.

A stakeholder wishing to have an NTC Project restudied must provide SPP with the necessary model changes needed to study the modification of the Project in the appropriate models. If SPP determines that a change has occurred that could cause an NTC for a Project to be modified, SPP will perform the necessary analysis to determine if the Project modification meets the Network Upgrade Justification of the original Project as described in Section 6. For a Project to be deemed reasonable, it must meet or exceed the Network Upgrade Justification of the original Project.
If SPP determines that an NTC Project modification is reasonable, it will inform the TWG, MOPC, and SPP Board of Directors of this fact at their next regularly scheduled quarterly meeting and request Board of Directors approval as necessary to issue an NTC modification.

After the Board of Directors approves the NTC modification, SPP will issue a modified NTC as needed.

SCOPE

A modification to an NTC shall be required if a change to the scope of the Project requires a modification in the designated Project. A change to the scope shall mean those new objectives that have a material impact on the required operating characteristics of the Transmission System pursuant to all applicable requirements of the SPP Tariff, SPP Criteria, NERC Reliability Standards, and the Transmission Provider's and Transmission Owner's(s) Transmission Planning Reliability Criteria in effect to maintain the reliable operation of the Transmission System in accordance with Good Utility Practice. Such changes may include but are not limited to:

- Topology
  - Routing changes
  - Interconnection point changes
- Operating Characteristics
- Changes in load
- Changes in generation
- Changes in local planning criteria
- Modeling errors
- Unavoidable need for modifications in distribution

And must:
- Provide comparable or improved level of electrical performance.
- Not cause adverse impact to Service Agreements or other contractually committed service sold under the SPP OATT.
- Not render sold firm transmission service undeliverable.

In the event that the scope of an NTC needs to be modified, a new NTC shall be issued to clarify the change and to reflect any modifications to Project scope. SPP staff will complete the appropriate review for a modification.

If a stakeholder wishes to propose a change in the scope of an NTC documented Network Upgrade or wishes to propose an alternative transmission solution to an already approved Network Upgrade, the requestor shall coordinate the proposed change with SPP staff.

COST ESTIMATES

As part of the quarterly project tracking effort as specified in Attachment O of the SPP OATT, Staff will review the cost estimates provided by the designated Transmission Owner(s) and compile a list of Projects with a cost estimate increase of more than 20% from the previous quarter.
Staff will determine the cause of the cost increase for each NTC Project in this list and make a recommendation as to whether the change in cost estimate is sufficient to justify the Project being replaced with an alternate Project.

SPP or TWG may request further analysis of a Project.

After SPP holds a 15 day stakeholder review period, a SPP proposed modification to an NTC will go to the SPP Board of Directors for approval.

**TIMING**

It is recognized that a change in an NTC may be necessary due to required changes to the Project schedule.

Through the processes identified in Section 5, SPP could change the Need Date, which would result in an NTC modification.

The following items are not expected to cause a change in an NTC due to the fact that time delays associated with these causes are handled through a mitigation plan or a re-dispatch option, as appropriate:

- Not enough time to complete Project based on SPP’s Need Date
- Unforeseen delays, such as:
  - Regulatory
  - Siting
  - Construction
  - Equipment delivery

**CHANGE IN DESIGNATED TRANSMISSION OWNER**

A modified NTC shall be required if there is a change in the Designated Transmission Owner of a Project. Once the change in Designated Transmission Owner is approved, SPP shall issue a modified NTC reflecting the change in Designated Transmission Owner. SPP shall inform the TWG of an approved change in Designated Transmission Owner at its next regularly scheduled meeting.

**NTC WITHDRAWAL**

In the event that changes occur which could render an NTC for an approved Project unnecessary, SPP may re-study the need for the Project. Changes that could render an NTC for an approved Project unnecessary include but are not limited to:

- Changes in load
• Changes in generation
• Annulment of TSR’s
• Change in local planning criteria
• Modeling error

But must not:
• Cause adverse impact to Service Agreements or other contractually committed service under the SPP OATT.
• Render firm transmission service undeliverable.

A stakeholder wishing to have an NTC Project re-studied for withdrawal must provide SPP with the necessary information needed to study the removal of the Project from the appropriate models. If SPP determines that changes have occurred that could render an NTC for an approved Project unnecessary, SPP will perform any necessary analysis and will, in consultation with stakeholders, determine if the Project is still required. Consideration of NTC withdrawal will take into account the stage of development of the Project and discussion with the Designated Transmission Owner.

If SPP confirms that an NTC Project is unnecessary, it will inform the TWG, MOPC, and SPP Board of Directors of this fact at their next regularly scheduled meeting and request approval by the Board of Directors, as necessary, to issue an NTC withdrawal.

• After the Board of Directors approves of the NTC withdrawal, SPP will withdraw the NTC Project. If the NTC was due to a Service Agreement, then the NTC withdrawal shall not need TWG, MOPC, or SPP Board of Directors approval but shall be addressed by SPP Staff.
• Within six months after receiving an NTC withdrawal, the Designated Transmission Owner shall notify SPP of any costs that it incurred prior to receiving the withdrawal of the NTC for reimbursement pursuant to Section VIII of Attachment J.

Reporting:

Status of Upgrades Identified in the SPP Transmission Expansion Plan

• On a quarterly basis the SPP shall post:
  o the status of the upgrades on the SPP website with the appropriate NTC identifiers
  o Any NTC(s) issued during the quarter
  o Any NTCW(s) issued during the quarter

Format of a Notification to Construct and NTC identifiers

To ensure proper and consistent documentation of approved Network Upgrades, a SPP NTC letter shall include, at a minimum, the following information:

• NTC Information
  o The NTC is assigned a unique NTC Identification Number.
    ▪ NTC ID# convention, SPP-NTC-#
    ▪ Example: SPP-NTC-1

• Project Information
  o Projects are assigned a unique Project Identification Number (PID).
- Project ID# convention, SPP-PID-#
  - Example: SPP-PID-1
  - Projects consist of one or more Network Upgrades.
  - The Project name will generally describe the Network Upgrades associated with the Project.
  - Project Information will include an Estimated Cost and a Project Schedule, which will include at minimum the Need Date.

- **Network Upgrade Information**
  - Network Upgrades are assigned a unique Upgrade Identification Number (UID).
    - Network Upgrade ID# convention, SPP-UID-#
      - Example: SPP-UID-1
  - The Network Upgrade Description will provide a brief scope of the Network Upgrade.
  - Documentation of Network Upgrade Owner
    - SPP Member/facility owner(s) and Contact Information
    - Markets and Operations Policy Committee (MOPC) Representative
    - TWG Representative, if applicable
  - Categorization
    - Economic as a part of a Balanced Portfolio
    - Regional Reliability
    - Sponsored Upgrade
    - Service Upgrade
    - Zonal Reliability Upgrade
    - Other
  - Upgrade Specifications
    - Upgrade Type: Reconductor, New Construction, etc.
    - Voltage levels
    - Estimated Line Length and minimum required summer and winter rating
    - Transformer, minimum required summer and winter rating
    - Associated terminal equipment, minimum required summer and winter rating
    - Any other static equipment
  - Network Upgrade Justification
    - NERC Reliability Compliance
    - Regional Study reliability
    - Zonal criteria
    - Transmission service request – List Aggregate study number with reference to posted facility log
    - Economic
    - Other
  - Need Date
  - Network Upgrade cost estimate in present day dollars, date of cost estimate, and origination of cost estimate.
  - Cost recovery for Network Upgrade
    - Base Plan Allocated
    - Direct Assignment
    - Project Sponsor
SPP OATT Business Practices

- Zonal
- Regional
- Other

- Documentation of Approvals
  - SPP Board of Directors approval date or reference to approved motion
  - Service Agreement number
  - Commitment details of Sponsored Upgrades.

- Documentation of Project History
  - The NTC will list any previously issued NTC ID numbers associated with the approved Network Upgrade or Network Upgrade change.
  - The NTC will include any related past NTC identification numbers to ensure proper documentation of the approval.
  - When the situation warrants issuing a new NTC, the new NTC will include past NTC numbers and information documenting the Network Upgrade change and party requesting the formally approved Network Upgrade change, rationale for the change and approvals for the scope adjustments.

Modifications of the approval are outlined in Section 8.
A Sample NTC for a Network Upgrade is provided as Appendix A.

DISPUTE RESOLUTION

Dispute resolutions should be handled as specified in Section 12 of the SPP OATT. If a dispute is filed the Customer that has service contingent upon the upgrade being completed shall be notified by SPP staff.
APPENDIX A: Sample NTC

SPP Notification To Construct

415 N. McKinley, 140 Plaza West
Little Rock, AR  72205-3020
501-614-3220 • Fax: (501) 666-0376
[SPP CONTACT]
[SPP CONTACT TITLE]

[DATE]

[DESIGNATED TRANSMISSION OWNER]
[ADDRESS]

RE: Notification to Construct [Approved Reliability Network Upgrades/Network Upgrades Pursuant to Transmission Service Request]

Dear [DESIGNATED TRANSMISSION OWNER],

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. (“SPP”) Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing [DESIGNATED TRANSMISSION OWNER], as the Designated Transmission Owner, to construct the Network Upgrade[s].

On [DATE], the Southwest Power Pool (“SPP”) [Board of Directors approved the Network Upgrade(s) listed below to be constructed] OR [concluded that the Project is required on the [DESIGNATED TRANSMISSION OWNER] system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-200#-AG#-AFS-##] OR [Insert the appropriate reason to construct the Project if different than listed above].

Project ID: PID #
Project Name: Project Name
Need Date for Project: DATE
Estimated In-Service Date for Project: IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY
Estimated Cost for Project: $###,###

Network Upgrade ID: UID #
Network Upgrade Description: Network Upgrade Description
Network Upgrade Owner: Owner Information
MOPC Representative: Representative Information
TWG Representative: Representative Information
Categorization: Regional Reliability / Zonal Reliability / Economic / Service
Network Upgrade Specifications: Network Upgrade Specifications
Network Upgrade Justification: Network Upgrade Justifications
Need Date for Network Upgrade: Network Upgrade Need Date
Estimated In-Service Date for Network Upgrade: IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY
Estimated Cost for Network Upgrade (current day dollars): $###,###
Cost Allocation of the Network Upgrade: Base Plan Funded / Direct Assigned to Customer / Sponsored Network Upgrade / Other
Estimated Cost Source: Network Upgrade Owner / Network Upgrade Sponsor / SPP
Date of Cost Estimate: MM/DD/YYYY

[In the event the NTC is a modification or withdrawal of an existing NTC, the following will be listed in addition to or instead of the above: Previous NTC number, Previous NTC Issue Date, and Reason for Change.]

Commitment to Construct
Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, pursuant to Attachment O, Section VIII.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Mitigation Plan
The Need Date OR Estimated In-Service Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade(s) if the Need Date OR Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date OR Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of the determination of expected delays.

Notification of Commercial Operation
Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress
On an ongoing basis, please keep SPP advised of any inability on [DESIGNATED TRANSMISSION OWNER]’s part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires [DESIGNATED TRANSMISSION OWNER] to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, consistent with Sections 20.1 and 32.10 of the SPP OATT, [DESIGNATED TRANSMISSION OWNER] shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

[SPP CONTACT SIGNATURE]
[SPP CONTACT TITLE]
cc:  SPP COO, SPP Sr. VP Engineering & Regulatory Policy, SPP Director Transmission Policy, SPP Vice President of Engineering, SPP Director of Transmission Development, [MOPC REPRESENTATIVE(S)], [TWG REPRESENTATIVE(S)], [SPP]projecttracking@spp.org

<table>
<thead>
<tr>
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<th>Current Version</th>
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<td>0810pcsBIP7050</td>
<td>Notification to Construct for Use with NTCs Issued Prior to January 1, 2012</td>
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### Revision History

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### Approval

Primary Owner: Jimmy Womack

[Signature]  Date: 2012-04-12 09:55:52-05'00'

Digitally signed by Jimmy Womack
Email: jwomack@spp.org

Signature date supersedes prior approval dates

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Business Practice

Contents
1. Notification to Construct
2. Notification to Construct with Conditions
3. Issuance of an NTC or NTC-C
4. Format of NTC/NTC-C Letters and Identifiers
5. Acceptance of an NTC-C or NTC
6. NTC/NTC-C Modification
7. NTC/NTC-C Withdrawal
8. Project Specification and Cost Estimation Process
9. Standardized Cost Estimate Reporting Template (SCERT)
10. PCWG Review Process for Applicable Projects
11. Projects Reviewed by PCWG
12. Reporting
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1. Notification to Construct
An SPP Notification to Construct (NTC) letter is a formal document directing the Designated Transmission Owner (DTO) for the commencement of construction of Network Upgrades that have been approved or endorsed by the SPP Board of Directors (BOD) intended to meet the construction needs of the SPP Transmission Expansion Plan (STEP), SPP Open Access Transmission Tariff (OATT), or Regional Transmission Organization (RTO).

2. Notification to Construct with Conditions
An SPP Notification to Construct with Conditions (NTC-C) letter is a formal document directing a DTO to further refine its Study Estimate, as defined in Section 8, for an Applicable Project. An NTC-C does not authorize the DTO to start construction or to order materials for the project.

The NTC-C will direct a DTO to perform detailed engineering and cost studies within a stated timeframe in the NTC-C letter to refine its Study Estimate for further SPP analysis to determine if the project should proceed with an NTC for actual construction. The DTO shall provide SPP an estimate of the engineering and other costs (i.e., such as the costs for engineering to develop the design, perform siting/routing reviews, perform environmental studies, or to take other actions required to refine the Study Estimate) required to develop the NTC-C Project Estimate (CPE).

2.1. Legacy Project
A Legacy Project is a construction project for which SPP has issued an NTC prior to January 1, 2012.

2.2. Applicable Projects
Applicable Projects are construction projects, including Legacy Projects, that SPP has the authority to direct construction of, has a nominal operating voltage of 100 kV or above, and has a Study Estimate in excess of $20 million. A single Applicable Project may consist of multiple upgrades or multiple projects assigned to multiple DTOs. A non-Applicable Project with a nominal operating voltage of 100 kV or above that has been issued an NTC will become an Applicable Project if either its NTC Project Estimate (NPE) or any subsequent cost estimate exceeds $20 million. Applicable Projects will continue to be Applicable Projects even if their subsequent cost estimates fall below $20 million.

2.3. Competitive Projects

Competitive Projects are construction projects that are subject to the Transmission Owner Selection Process (TOSP), as defined in Attachment Y of the SPP OATT.

3.0 Issuance of an NTC or NTC-C

The authority for SPP to issue an NTC is derived from approval by the BOD, a FERC filed Service Agreement under the SPP OATT, an endorsed Economic or Sponsored Upgrade upon the execution of a contract that financially commits a Project Sponsor to fund such upgrade, or when such upgrade is otherwise required pursuant to the tariff. An NTC or NTC-C may be issued for projects originating from processes described in Section VI of Attachment O of the OATT.

The issuance of an NTC or NTC-C represents that the Network Upgrade is eligible for cost recovery under the SPP OATT, including if SPP withdraws the NTC or NTC-C as described in Section 7 below.

For non-Competitive Projects, SPP will issue an NTC-C for Applicable Projects. SPP staff will provide the timeframe that the DTO has to provide its CPE to SPP in the NTC-C letter.

SPP will issue an NTC or NTC-C under the conditions and time constraints defined in Sections 3.1 through 3.5.

An NTC-C shall not be issued for a Competitive Project.

3.1. Approved Network Upgrades from ITP/High Priority Studies

Unless previously issued, SPP staff will issue NTC(s) or NTC-C(s) for all Network Upgrades approved by the BOD for which financial commitment is required prior to the approval of the next update of the STEP. Additionally if authorized by the BOD, SPP staff will issue an NTC/NTC-C for each Network Upgrade for which a financial commitment is needed within the next four years or other time period as designated by the BOD. For a non-Competitive Project, such an NTC/NTC-C will be issued within 15 business days from the time the SPP BOD approves the project. For a Competitive Project, an NTC will be issued to the Selected RFP Respondent in accordance with Attachment Y of the OATT.

3.2. Sponsored Upgrades

An NTC will be issued for an endorsed Sponsored Upgrade once a project sponsor has financially committed to pay for the Sponsored Upgrade.

3.3. Network Upgrades related to Transmission Service requests
Unless previously issued, SPP staff will issue NTCs or NTC-Cs for all identified non-Competitive Projects associated with Transmission Service Agreements (TSAs) within 15 business days from the time at which SPP receives from all customers in an Aggregate Study executed TSA(s) or written request(s) from customer(s) requesting a TSA be filed unexecuted. For an identified Competitive Project associated with a TSA, SPP staff will issue an NTC to the Selected RFP Respondent in accordance with Attachment Y of the OATT.

3.4. Network Upgrades related to Generation Interconnection requests

Unless previously issued, SPP staff may issue NTCs for identified project(s) associated with Generation Interconnection Agreements (GIA) to an affected Transmission Owner (TO) who is not a party to the GIA within 15 business days from the Effective Date of the GIA.

3.5. Network Upgrades related to Attachment AQ requests

Unless previously issued, SPP staff will issue NTCs or NTC-Cs for all identified projects associated with the request within 15 business days from the time at which SPP receives the updated and executed Network Integrated Transmission Service Agreement.

4.0 Format of NTC/NTC-C Letters and Identification Numbers

To ensure proper and consistent documentation of approved Network Upgrades, SPP NTC and NTC-C letters shall include, at a minimum, the information in Sections 4.1 through 4.5.

A Sample NTC for a Network Upgrade is provided as Appendix A in this document. A Sample NTC-C for a Network Upgrade is provided as Appendix B in this document.

4.1. NTC/NTC-C Information

- The NTC is assigned a unique NTC Identification Number.
  - NTC ID# convention, SPP-NTC-#
  - Example: SPP-NTC-1
- The NTC-C is assigned an NTC Identification Number just as an NTC.

4.2. Project Information

- Projects are assigned a unique Project Identification Number (PID).
  - Project ID# convention, SPP-PID-#
  - Example: SPP-PID-1
- Projects consist of one or more Network Upgrades.
- The Project name will generally describe the Network Upgrades associated with the Project.
- Project Information will include an Estimated Cost and a Project Schedule, which will include, at a minimum, the Need Date.

4.3. Network Upgrade Information

- Network Upgrades are assigned a unique Upgrade Identification Number (UID)
  - Network Upgrade ID# convention, SPP-UID-#
  - Example: SPP-UID-1
- The Network Upgrade Description will provide a brief scope of the Network Upgrade
- Documentation of Network Upgrade Owner
SPP Member/facility owner(s) and Contact Information
Markets and Operations Policy Committee (MOPC) Representative
TWG Representative, if applicable

Categorization
- Economic as a part of a Balanced Portfolio
- Integrated Transmission Planning Process
- Sponsored Upgrade
- Service Upgrade
- Zonal Reliability Upgrade
- Other

Upgrade Specifications
- Upgrade Type: Reconductor, Rebuild, New Construction, etc.
- Voltage levels
- Estimated Line Length and minimum required summer and winter rating
- Transformer, minimum required summer and winter rating
- Associated terminal equipment, minimum required summer and winter rating
- Any other static equipment

Network Upgrade Justification
- NERC Reliability Compliance
- Regional Study reliability
- Zonal criteria
- Transmission service request – List Aggregate study number with reference to posted facility log
- Economic
- Other

Need Date

Network Upgrade cost estimate in present day dollars, date of cost estimate, and origination of cost estimate.

Cost recovery for Network Upgrade
- Base Plan Allocated
- Direct Assignment
- Project Sponsor
- Zonal
- Regional
- Other

4.4. Documentation of Approvals
- BOD approval or endorsement date or reference to approved motion
- Service Agreement number
- Commitment details of Sponsored Upgrades

4.5. Documentation of Project History
- The NTC/NTC-C will list any previously issued NTC ID or NTC-C ID numbers associated with the approved Network Upgrade or Network Upgrade change
- The NTC/NTC-C will include any related past NTC/NTC-C identification numbers to ensure proper documentation of the approval
- When the situation warrants issuing a new NTC/NTC-C, the new NTC/NTC-C will include past NTC/NTC-C numbers and information documenting the Network Upgrade change
and party requesting the formally approved Network Upgrade change, rationale for the change and approvals for the scope adjustments

5.0 Acceptance of an NTC-C or NTC

5.1. For all Applicable Projects that have been issued an NTC-C

The DTO shall provide to SPP, within 90 days of the date of the NTC letter, a written commitment that it has accepted to construct the Network Upgrade(s) and that it shall provide SPP with an NTC-C Project Estimate (CPE), as described in Section 8.4, on or before the due date requested by SPP in the NTC-C letter. The DTO shall advise SPP of any inability to provide the CPE by the SPP requested date as soon as the inability becomes apparent to the DTO.

If the CPE variance bandwidth of -20% to +20% does not exceed the Study Estimate variance bandwidth of -30% to +30%, as discussed in Section 8, the Applicable Project’s cost variance will be deemed acceptable and SPP staff will remove the conditions in the NTC and SPP staff will notify the DTO in writing within 5 business days that the conditions have been removed and issue a new NTC to the DTO. This will be the authorization for the DTO to proceed with the construction of the Applicable Project. In other words, if the CPE is not greater than 1.0833 times the Study Estimate and is not less than 0.875 times the Study Estimate, an NTC will be issued with no further review.

If the CPE variance bandwidth exceeds the variance bandwidth of -30% to +30% of the Study Estimate, SPP staff will re-evaluate this Applicable Project using the new cost estimate data provided by the DTO, and will make a recommendation to the BOD at its next regularly scheduled meeting. In other words, if the CPE is greater than 1.0833 times the Study Estimate or is less than 0.875 times the Study Estimate SPP staff will re-evaluate the project.

The CPE received from the DTO will be used as the established baseline cost estimate for reporting all future cost estimate changes during the Project Tracking process for the project and will be the basis for determining project cost variances.

5.2. For all projects that have been issued an NTC

5.2.1. Non-Competitive Projects

If the DTO accepts the NTC for a non-Competitive Project, it shall respond as prescribed in the NTC letter and provide SPP with a refined Study Estimate. This estimate is referred to as the NTC Project Estimate (NPE), as described in Section 8.5.

The NPE received from the DTO for these projects will be used as the established baseline cost estimate for reporting all future cost estimate changes during the Project Tracking process and will be the basis for determining project cost variances.

The baseline cost estimate for a Legacy Project shall be established as the value submitted in Project Tracking as of January 31, 2014, listed on the 2014 Quarter 2 SPP Project Tracking Report and approved by the BOD.

5.2.2. Competitive Projects

If the Selected RFP Respondent accepts the NTC for a Competitive Project, it shall respond within seven (7) calendar days of receiving the notice as described in Attachment Y of the SPP OATT. Once the conditions listed in Attachment Y are met, the Selected RFP Respondent will become the DTO.
The cost estimate provided in the response to the RFP by the DTO for a Competitive Project will be used as the established baseline cost estimate for reporting all future cost estimate changes during the Project Tracking process and will be the basis for determining project cost variances.

6.0 NTC/NTC-C Modification
It is recognized that from time to time modifications may be necessary to NTCs/NTC-Cs. The following sections outline the process to be used and the conditions under which an NTC/NTC-C may be modified.

6.1. Changes That Could Require a Modification
In the event that changes occur that could cause an NTC/NTC-C for a Project to be modified, SPP may re-study the need for the Project. Changes that could cause an NTC/NTC-C for a Project to be modified include but are not limited to:

**NTC/NTC-C**
- Change in scope
- Change in the In-Service Date or Need Date
- Changes in load
- Changes in generation
- Annulment of Transmission Service Requests (TSR)
- Change in local planning criteria
- Modeling error
- Change in DTO

**NTC**
- Change in cost estimates

6.2. Restrictions to Modifications to an NTC/NTC-C
Modifications must not:
- Cause adverse impact to Service Agreements or other contractually committed service under the SPP OATT
- Render firm transmission service under the OATT undeliverable

6.3. Stakeholder Request for Project Re-Study
A stakeholder wishing to have an NTC/NTC-C Project restudied must provide SPP with the necessary model changes needed to study the modification of the Project in the appropriate models. If SPP determines that a change has occurred that could cause an NTC/NTC-C for a Project to be modified, SPP will perform the necessary analysis to determine if the Project modification meets the Network Upgrade Justification of the original Project as described in Section 4.3. For a Project modification to be deemed reasonable, it must meet or exceed the Network Upgrade Justification of the original Project.

6.4. Notifications if NTC/NTC-C is Modified
If SPP determines that an NTC/NTC-C Project modification is reasonable, it will inform the TWG, MOPC, and BOD of this fact at their next regularly scheduled quarterly meeting and request the BOD approval or endorsement, as necessary, to issue an NTC/NTC-C modification.
After the BOD approves or endorses the NTC/NTC-C modification, SPP will issue a modified NTC/NTC-C, as needed.

6.5. Modifications to NTCs for Applicable Projects
After an NTC has been issued for an Applicable Project, and a modification is required, an NTC-C shall not be issued.

6.6. Change in Scope
A modification to an NTC/NTC-C shall be required if a change to the scope of the Project requires a modification in the designated Project. A change to the scope shall mean those new objectives that have a material impact on the required operating characteristics of the Transmission System pursuant to all applicable requirements of the SPP Tariff, SPP Criteria, NERC Reliability Standards, and the Transmission Provider’s and TO’s Transmission Planning Reliability Criteria in effect to maintain the reliable operation of the Transmission System in accordance with Good Utility Practice. Such changes may include but are not limited to:

- Topology
  - Routing changes
  - Interconnection point changes
- Operating Characteristics
- Changes in load
- Changes in generation
- Changes in local planning criteria
- Modeling errors
- Unavoidable need for modifications in distribution

And must:

- Provide comparable or improved level of electrical performance
- Not cause adverse impact to Service Agreements or other contractually committed service sold under the SPP OATT
- Not render sold firm transmission service undeliverable

In the event that the scope of an NTC/NTC-C needs to be modified, a new NTC/NTC-C letter shall be issued to clarify the change and to reflect any modifications to Project scope. SPP staff will complete the appropriate review for a modification.

If a stakeholder wishes to propose a change in the scope of an NTC/NTC-C or wishes to propose an alternative transmission solution to an already approved Network Upgrade, the requestor shall coordinate the proposed change with SPP staff.

6.7. Change in the In-Service Date or Need Date
It is recognized that a change in an NTC/NTC-C may be necessary due to required changes to the Project schedule.

Through the processes identified in Section 3, SPP could change the Need Date, which would result in an NTC/NTC-C modification.

The following items are not expected to cause a change in an NTC/NTC-C due to the fact that time delays associated with these causes are handled through a mitigation plan or a re-dispatch option, as appropriate:
6.8. Change in Designated Transmission Owner
A modified NTC/NTC-C shall be required if there is a change in the DTO of a Project. Once the change in DTO is approved, SPP shall issue a modified NTC/NTC-C reflecting the change in DTO. SPP shall inform the TWG and the PCWG of an approved change in DTO at their respective next regularly scheduled meeting.

7.0 NTC/NTC-C Withdrawal
In the event that changes occur which could render an NTC/NTC-C for an approved Project unnecessary, SPP may re-study the need for the Project. Changes that could render an NTC/NTC-C for an approved Project unnecessary include but are not limited to:
- Changes in load
- Changes in generation
- Annulment of TSR's
- Change in local planning criteria
- Modeling error

But must not:
- Cause adverse impact to Service Agreements or other contractually committed service under the SPP OATT
- Render firm transmission service undeliverable

7.1. Stakeholder Request for Project Re-studied for Withdrawal
A stakeholder wishing to have an NTC/NTC-C Project re-studied for withdrawal must provide SPP with the necessary information needed to study the removal of the Project from the appropriate models. If SPP determines that changes have occurred that could render an NTC/NTC-C for an approved Project unnecessary, SPP will perform any necessary analysis and will, in consultation with stakeholders, determine if the Project is still required. Consideration of NTC/NTC-C withdrawal will take into account the stage of development of the Project and discussion with the DTO.

If SPP confirms that an NTC/NTC-C Project is unnecessary, it will inform the TWG, PCWG, MOPC, and BOD of this fact at their next regularly scheduled meeting and request approval by the BOD, as necessary, to withdraw the NTC/NTC-C.

After the BOD approves the withdrawal of an NTC/NTC-C, SPP will notify the DTO that the NTC/NTC-C has been withdrawn. If the NTC/NTC-C was due to a Service Agreement, then the NTC/NTC-C withdrawal shall not need TWG, MOPC, or BOD approval but shall be addressed by SPP staff.
7.2. Notify SPP of Costs Related to an NTC Withdrawal

Within six months after receiving an NTC/NTC-C withdrawal, the DTO shall notify SPP of any costs that it incurred prior to receiving the withdrawal of the NTC/NTC-C for reimbursement pursuant to Section VIII of Attachment J to the SPP OATT.

8.0 Project Specification and Cost Estimation Process

A tiered approach for project cost estimates is based upon the level of project definition that is known while also considering an appropriate level of risk valuation. Each Stage of the Cost Estimation process is described in more detail below.

8.1. Conceptual Estimate Stage

The Conceptual Estimate is the estimate prepared by SPP staff based on historical cost information in an SPP database and updated information provided by the TO(s). It is to be used as a screening tool to determine if a project is cost-effective and whether it should be pursued in meeting a determined system need. This estimate would not attempt to address detailed environmental, geography, terrain or other issues.

In this first stage, SPP staff will develop the initial project scope and Conceptual Estimate using a cost estimate tool (database platform) that will be developed in conjunction with the TO(s). The cost estimating tool will include historical SPP cost data such as construction costs per mile for specific voltage levels, substation construction cost estimates, and construction cost modifiers for other relevant factors such as differences in region, terrain, urban/rural, etc. This will allow cost estimates to be developed to more readily accommodate the screening of large numbers of potential projects and selecting suitable candidates for further study.

The output of the cost estimate tool will be a table providing the total cost estimate for each project under consideration, as well as all of the supporting information for each cost estimate. This will provide an easy-to-use reference for the Conceptual Estimates and the ability to determine variations between them. SPP staff, in conjunction with the Transmission Owners, will update the cost data used in the cost estimate tool on an annual basis. To support these updates, SPP staff will provide an aggregate summary of final cost data collected in the Project Tracking process. This will ensure the cost estimate tool is kept up-to-date for Conceptual Estimates and will help refine the tool to reflect a better estimate of actual costs.

8.2. Study Estimate Stage

The Study Estimate is the estimate prepared for projects that pass the Conceptual Estimate screening process and require a more refined cost estimate for project approval. The Study Estimate Stage begins after the initial project screening is completed and the list of potential projects has been narrowed to those most likely to be selected. SPP and/or the estimate provider for each project must review and refine the project scope as necessary to provide study-level cost estimates for each alternative project.

The Study Estimate is the first detailed cost estimate that is required, and will be developed based on the Study Estimate Design Guide. Due to the large number of unknown design and construction parameters at this point in the planning process and the project scope, the estimate provider should identify those unknowns and the risks associated with them.
The final project cost is expected to be within a -30% to +30% variance from the Study Estimate.

8.3. NTC-C Project Estimate Stage

The NTC-C Project Estimate (CPE) is the estimate prepared by a DTO for an Applicable Project after the receipt of an NTC-C. This estimate will include any cost estimate analysis, as described in Section 2. The CPE will be used as the established baseline for reporting all cost estimate changes during the Project Tracking process and will be the basis for determining project variance. The NTC-C Project Cost Estimate (CPE) provided is expected to be within a +/- 20% precision bandwidth of the final project cost.

The CPE shall be submitted to SPP by the DTO on or before the date stated in the NTC-C letter.

For Applicable Projects originating from an ITP process, the CPE shall be due four months prior to the start of the next applicable ITP process (note: ITP processes are described in Attachment O of the SPP OATT).

For example, NTC-Cs issued for the 2015 ITP10 will have a CPE return deadline of four months prior to the start of the next ITP10 process. The 2015 ITP10 review was started July 1, 2013 and will complete its 18 month cycle December 31, 2014. The CPE response will be due no later than February 28, 2016.

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<th>Start Date of Next Process</th>
<th>CPE Due</th>
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<td>ITP10 (e.g. 2015 ITP10)</td>
<td>Every 3rd July 1st (e.g. July 1, 2016)</td>
<td>Every 3rd Feb 28th (e.g. Feb 28, 2016)</td>
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<tr>
<td>ITP Near-Term (e.g. 2015 ITPNT)</td>
<td>Every January 1st (e.g. Jan. 1, 2016)</td>
<td>Every August 31st (e.g. Aug. 31, 2015)</td>
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For Applicable Projects originating from a non-ITP process, the CPE shall be due 6 months after the date in which the NTC-C is issued.

If the CPE variance bandwidth of -20% to +20% does not exceed the Study Estimate variance bandwidth of -30% to +30%, as described in Section 5.1, the project's cost variance will be deemed acceptable and the conditions, as described in Section 2, on the NTC will be removed by SPP staff. SPP staff will issue a revised NTC letter to the DTO removing the conditions from the NTC. This will be the authorization for the DTO to proceed with the project.

If the CPE variance bandwidth exceeds the variance bandwidth of -30% to +30%, as described in Section 5.1, of the Study Estimate, SPP staff will re-evaluate this project using the new cost estimate data, and will make a recommendation to the BOD at its next scheduled quarterly meeting.

SPP staff’s recommendation could be, but is not limited to, one of the following actions:

a. Accept the cost estimate variance and approve the Applicable Project as described in the NTC-C letter and remove the NTC’s conditions;
b. Modify the existing Applicable Project with input from TWG;
c. Replace the Applicable Project with an alternative solution with input from TWG; or
d. Cancel the Applicable Project.

If the cost estimate variation of the CPE is accepted by the BOD, the CPE will be used as a final baseline cost estimate for reporting all future cost estimate changes during the Project Tracking process and will be the basis for determining project cost variances.
8.4. NTC Project Estimate Stage

The NTC Project Estimate (NPE) is provided by the DTO after receipt of an NTC for a non-Applicable, non-Competitive Project. It includes any additional cost or project information that is known at the time that the DTO is required to provide its response to the SPP. The NPE will be used as the established baseline for reporting all cost estimate changes during the Project Tracking process and will be the basis for determining project variance. The final project cost is expected to be within a -20% to +20% variance from the NPE.

This stage begins after a non-Applicable, non-Competitive Project has been issued an NTC. The DTO has 90 days to respond to the NTC by committing to a project as required by the NTC or proposing a different project schedule or project specifications to be considered by SPP. If the DTO accepts the NTC, it shall respond as prescribed in the SPP NTC letter with a written commitment to construct letter and a NPE both submitted to SPP within the 90-day response period.

8.5. RFP Response Estimate Stage

The RFP Response Estimate (RRE) is the cost estimate provided by the DTO included in its response to an RFP for a Competitive Project. The RRE will be used as the established baseline for reporting all cost estimate changes during the Project Tracking process and will be the basis for determining project variance. The final project cost is expected to be within a -20% to +20% variance from the RRE.

8.6. Baseline Cost Escalation

The established baseline is the version of a cost estimate that can only be changed through formal change control procedures and is used as a basis for comparison.

All cost estimates established as baselines will be escalated annually. SPP will escalate any cost estimate for an Upgrade that is considered a baseline estimate at the escalation rate assumed in the source study that originated the need for the Upgrade. The new escalated baseline cost estimate will be used for comparison with any updated cost estimate submitted in the same calendar year to measure cost estimate variance.

8.7. Design and Construction Estimate Stage

Design and Construction Estimates are provided by the DTO to SPP while the DTO engineering and construction are being completed, including any environmental, routing or siting requirements, and that has a known route. This would include but not be limited to any known material and labor costs and condemnation costs. The final project cost is expected to be within a -20% to +20% variance from the applicable CPE or NPE.

This stage covers the period between the start of design engineering to the final project closeout and the subsequent submittal of actual project costs to SPP through the Project Tracking process. All line-item cost differences between the cost estimate being used as an established baseline and these updated cost estimates must be accompanied by a detailed explanation from the DTO.
### Table 1: Cost Estimate Stage Definition Overview

<table>
<thead>
<tr>
<th>Estimate Name</th>
<th>Stage</th>
<th>End Usage</th>
<th>Precision Bandwidth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Competitive Projects</td>
<td>Competitive Projects</td>
<td></td>
</tr>
<tr>
<td>Projects &gt; 100 kV &amp; &gt; $20 Million</td>
<td>All other BOD Approved Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conceptual (SPP Prepared)</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Study</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>NTC-C Issued</td>
<td>NTC Issued</td>
<td>RFP Issued</td>
<td></td>
</tr>
<tr>
<td>NTC-C Project (CPE)</td>
<td>3</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>New NTC Issued</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTC Project (NPE)</td>
<td>N/A</td>
<td>3</td>
<td>N/A</td>
</tr>
<tr>
<td>RFP Response (RRE)</td>
<td>N/A</td>
<td>N/A</td>
<td>3</td>
</tr>
<tr>
<td>Design &amp; Construction</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

*BOD approval required to reset the baseline.

**Actual cost is expected to be within +/-20% of established baseline estimate.
9.0 Standardized Cost Estimate Reporting Template (SCERT)
SPP will request the completion of a Standardized Cost Estimate Reporting Template (SCERT) for all project cost estimates and applicable monthly/quarterly updates. The SCERT template is located on the SPP website on the Project Cost Working Group webpage. The SCERT will:

a. Provide a consistent format among all estimates
b. Facilitate the Project Tracking process
c. Ensure the required level of detail is provided
d. Facilitate the transition of a completed project into the proper Annual Transmission Revenue Requirement (ATRR) recovery process through SPP’s OATT

For each Legacy Project, the DTO authorized to construct the Legacy Project will populate a SCERT if the cost estimate of the project increases 10% or greater than the established baseline cost estimate.

All information requested to be sent to SPP in this section shall be submitted to SPPprojecttracking@spp.org.

9.1. Study Estimate Design Guide
For the Study Estimate, all estimate providers shall develop estimates based on the Study Estimate Design Guide. The SCERT information provides a transparent process on what is provided in the cost estimate, including the assumptions made on unknowns at the time the cost estimate was prepared.

10.0 PCWG Review Process for Applicable Projects
The Project Cost Working Group (PCWG) process applies to approved Applicable Projects once a DTO has received an NTC from SPP and the project exceeds the stated bandwidths as described in Section 5.1.

All information requested to be sent to SPP in this section shall be submitted to SPPprojecttracking@spp.org.

If an Applicable Project deviates or is expected to deviate +/- 10% from its established baseline cost estimate, the DTO shall provide all relevant data and information to SPP with an updated SCERT within 45 calendar days when the DTO became aware of the deviation. SPP staff will then notify the PCWG. The PCWG may require the DTO to provide monthly Project Tracking data after this notice from the DTO.

If an Applicable Project deviates or is expected to deviate +/-20% from its established baseline cost estimate the DTO, within 45 calendar days when the DTO became aware of the deviation, notify SPP staff detailing the cost estimate variances with an updated SCERT along with comments and explanations regarding the variances.

The PCWG will receive the updated scope and SCERT provided to SPP by the DTO including any Project Tracking data updates, any comments from the DTO related to cost estimate variances, and any applicable input from SPP staff. The DTO’s comments should include relevant information regarding any sunk costs, an explanation for the cost estimate variances, and comments regarding whether construction of the project should continue. The PCWG will oversee all reports to be submitted to the MOPC, RSC, and BOD prior to their regularly scheduled meetings.
11.0 Projects Reviewed by PCWG

The PCWG will provide recommendations to the MOPC and BOD regarding any Applicable Project whose cost estimate exceeded the +/-20% bandwidth of the established baseline cost estimate. Recommended action(s) may include any of the following:

i. Accept the cost estimate deviation as reasonable and acceptable and reestablish the baseline used to evaluate future cost estimate deviations.

ii. Identify all or a portion of the costs related to the variances and recommend any changes to the NTC that would reduce the cost or avoid the issues that may be causing the increase.

iii. Suspend all future expenditures on the project while SPP restudies the project to determine appropriate changes to the NTC, possible withdrawal of the NTC or whether an alternative project should replace the project.

The BOD will make the final determination on whether to accept the PCWG recommendation(s) or to choose an alternative action.

If the BOD determines to reestablish the baseline cost estimate, the previous baseline cost estimate will be retained in the monitoring tool.

The PCWG will notify MOPC if a trend appears to be developing whereby the information provided in the SCERTs is deviating from the Study Estimate Design Guide. The MOPC will then determine if a review of the SCERT indicates changes in the Study Estimate Design Guide are required.

12.0 Project Reporting

12.1. SPP Staff

On a quarterly basis the SPP staff shall post:

- the status of the upgrades identified in the STEP on the SPP website
- any NTC/NTC-C(s) issued during the quarter
- any NTC/NTC-C withdrawal(s) issued during the quarter
- any NTC(s) modifications issued during the quarter

At least quarterly, SPP staff will submit a Project Tracking report to the PCWG detailing all project cost estimate changes that are outside the established project variance bandwidth.

12.2. DTOs with Projects with an Approved RRE, NPE, or CPE

DTOs building a Project(s) with an approved RRE, NPE, or CPE shall submit Project Tracking updates to SPP staff on a quarterly basis, unless the bandwidth is exceeded as denoted in (a) or (b) below, in which case the DTO will notify SPP within 45 calendar days with the information as follows:

a. If an Applicable Project cost estimate deviates or is expected to deviate +/-10% from its established baseline cost estimate, the DTO will notify SPP staff detailing the cost estimate variances with an updated SCERT along with comments and explanations regarding the variances. SPP staff will provide notification to the PCWG with no corrective action expected. SPP staff will monitor these projects and take appropriate action if necessary.
b. If an Applicable Project cost estimate deviates or is expected to deviate +/-20% from its established baseline cost estimate, the DTO will notify SPP staff detailing the cost estimate variances with an updated SCERT along with comments and explanations regarding the variances. SPP staff will provide the updated information to the PCWG. The PCWG will review and provide recommendations to the MOPC and BOD. The PCWG will also provide an update to the RSC. The DTO will be required to provide monthly updates regarding project cost estimates and other relevant information to SPP staff until BOD action is taken.

13.0 Dispute Resolution

Dispute resolutions should be handled as specified in Section 12 of the SPP OATT. If a dispute is filed the Customer that has service contingent upon the upgrade being completed shall be notified by SPP staff.
# APPENDIX A: Sample NTC

SPP
Notification To Construct

201 Worthen Drive
Little Rock, AR 72223-4936
501-614-3220 • Fax: (501) 666-0376
[SPP CONTACT]
[SPP CONTACT TITLE]

[DATE]

[DESIGNATED TRANSMISSION OWNER]
[ADDRESS]

RE: Notification to Construct [Approved Reliability Network Upgrades/Network Upgrades Pursuant to Transmission Service Request]

Dear [DESIGNATED TRANSMISSION OWNER],

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. (“SPP”) Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing [DESIGNATED TRANSMISSION OWNER], as the Designated Transmission Owner, to construct the Network Upgrade(s).

On [DATE], the Southwest Power Pool (“SPP”) [Board of Directors approved the Network Upgrade(s) listed below to be constructed] OR [concluded that the Project is required on the [DESIGNATED TRANSMISSION OWNER] system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-200#-AG#-AFS-##] OR [Insert the appropriate reason to construct the Project if different than listed above].

Project ID: **PID #**
Project Name: **Project Name**
Need Date for Project: **DATE**
Estimated In-Service Date for Project: **IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY**
Estimated Cost for Project: **$###,###**

<table>
<thead>
<tr>
<th>Network Upgrade ID: <strong>UID #</strong></th>
<th>Network Upgrade Description: <strong>Network Upgrade Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Upgrade Owner: <strong>Owner Information</strong></td>
<td></td>
</tr>
<tr>
<td>MOPC Representative: <strong>Representative Information</strong></td>
<td></td>
</tr>
<tr>
<td>TWG Representative: <strong>Representative Information</strong></td>
<td></td>
</tr>
<tr>
<td>Categorization: <strong>Regional Reliability / Zonal Reliability / Economic / Service</strong></td>
<td></td>
</tr>
<tr>
<td>Network Upgrade Specifications: <strong>Network Upgrade Specifications</strong></td>
<td></td>
</tr>
<tr>
<td>Network Upgrade Justification: <strong>Network Upgrade Justifications</strong></td>
<td></td>
</tr>
<tr>
<td>Need Date for Network Upgrade: <strong>Network Upgrade Need Date</strong></td>
<td></td>
</tr>
<tr>
<td>Estimated In-Service Date for Network Upgrade: <strong>IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY</strong></td>
<td></td>
</tr>
</tbody>
</table>
Estimated Cost for Network Upgrade (current day dollars): $###,###
Cost Allocation of the Network Upgrade: Base Plan Funded / Direct Assigned to Customer / Sponsored Network Upgrade / Other
Estimated Cost Source: Network Upgrade Owner / Network Upgrade Sponsor / SPP
Date of Cost Estimate: MM/DD/YYYY

[In the event the NTC is a modification to or withdrawal of an existing NTC, the following will be listed in addition to or instead of the above: Previous NTC number, Previous NTC Issue Date, and Reason for Change.]

Commitment to Construct
The DTO must provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, pursuant to Attachment O, Section VIII.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Mitigation Plan
The Need Date OR Estimated In-Service Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade(s) if the Need Date OR Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date OR Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 calendar days of the determination of expected delays.

Notification of Commercial Operation
A notification of commercial operation for each listed Network Upgrade must be provided to SPP within 60 calendar days after the Network Upgrade is complete and in-service. The DTO must provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. Timely cost notification will facilitate the timely billing by SPP based on actual costs.
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on [DESIGNATED TRANSMISSION OWNER]’s part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires [DESIGNATED TRANSMISSION OWNER] to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, consistent with Sections 20.1 and 32.10 of the SPP OATT, [DESIGNATED TRANSMISSION OWNER] shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don’t hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

[SPP CONTACT SIGNATURE]
[SPP CONTACT TITLE]

cc: SPP COO, SPP Sr. VP Engineering & Regulatory Policy, SPP Director Transmission Policy, SPP Vice President of Engineering, SPP Director of Transmission Development, [MOPC REPRESENTATIVE(S)], SPPprojecttracking@spp.org, [TWG REPRESENTATIVE(S)].
APPENDIX B: Sample NTC-C

SPP
Notification To Construct with Conditions

201 Worthen Drive
Little Rock, AR 72223-4936
501-614-3220 • Fax: (501) 666-0376
[SPP CONTACT]
[SPP CONTACT TITLE]

[DATE]

[DESIGNATED TRANSMISSION OWNER]
[ADDRESS]

RE: Notification to Construct [Approved Reliability Network Upgrades/Network Upgrades Pursuant to Transmission Service Request]

Dear [DESIGNATED TRANSMISSION OWNER],

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. (“SPP”) Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing [DESIGNATED TRANSMISSION OWNER], as the Designated Transmission Owner, to construct the Network Upgrade[s]. This NTC is Conditioned upon the [DESIGNATED TRANSMISSION OWNER] not ordering materials or beginning construction until:

1. the DTO submits a refined project cost estimate (CPE) to SPP staff that has a variance bandwidth of -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP’s Business Practices; or

2. the SPP Board of Directors considers SPP Staff’s re-evaluation of a project that has a refined project cost estimate (CPE) from the DTO that exceeds the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP’s Business Practices.

On [DATE], the Southwest Power Pool (“SPP”) [Board of Directors approved the Network Upgrade(s) listed below to be constructed] OR [concluded that the Project is required on the [DESIGNATED TRANSMISSION OWNER] system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-200#-AG#-AFS-##] OR [Insert the appropriate reason to construct the Project if different than listed above].

Project ID: PID #
Project Name: Project Name
Need Date for Project: DATE
Estimated In-Service Date for Project: IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY
Estimated Cost for Project: $###,###

Network Upgrade ID: UID #
Network Upgrade Description: Network Upgrade Description
Network Upgrade Owner: Owner Information
MOPC Representative: Representative Information
TWG Representative: Representative Information
Categorization: Regional Reliability / Zonal Reliability / Economic / Service
Network Upgrade Specifications: Network Upgrade Specifications
Network Upgrade Justification: Network Upgrade Justifications
Need Date for Network Upgrade: Network Upgrade Need Date
Estimated In-Service Date for Network Upgrade: IN-SERVICE DATE PROVIDED BY NETWORK UPGRADE OWNER DURING AGGREGATE STUDY
Estimated Cost for Network Upgrade (current day dollars): $###,###
Cost Allocation of the Network Upgrade: Base Plan Funded / Direct Assigned to Customer / Sponsored Network Upgrade / Other
Estimated Cost Source: Network Upgrade Owner / Network Upgrade Sponsor / SPP
Date of Cost Estimate: MM/DD/YYYY

[In the event the NTC-C is a modification to or withdrawal of an existing NTC-C, the following will be listed in addition to or instead of the above: Previous NTC-C number, Previous NTC-C Issue Date, and Reason for Change.]

Commitment to Construct
The DTO must provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct. Failure to provide a written commitment to construct could result in the Network Upgrade(s) being assigned to another entity.

NTC-C Project Estimate (CPE)
Also, the DTO must provide SPP an NTC-C Project Estimate by [DATE] as described in SPP’s Business Practices regarding Notification to Construct with Conditions. [DESIGNATED TRANSMISSION OWNER] shall advise SPP of any inability to provide the NTC-C Project Estimate by [DATE] as soon as the inability becomes apparent.
Removal of Conditions
Upon notice by SPP staff of removal of the conditions contained in this NTC, SPP staff will issue the DTO a new NTC and the following will be applicable:

Mitigation Plan
The Need Date OR Estimated In-Service Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade(s) if the Need Date OR Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date OR Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of the determination of expected delays.

Notification of Commercial Operation
Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress
On an ongoing basis, please keep SPP advised of any inability on [DESIGNATED TRANSMISSION OWNER]'s part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires [DESIGNATED TRANSMISSION OWNER] to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, consistent with Sections 20.1 and 32.10 of the SPP OATT, [DESIGNATED TRANSMISSION OWNER] shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

[SPP CONTACT SIGNATURE]
[SPP CONTACT TITLE]

cc: SPP COO, SPP Sr. VP Engineering & Regulatory Policy, SPP Director Transmission Policy, SPP Vice President of Engineering, SPP Director of Transmission Development, [MOPC REPRESENTATIVE(S)], SPPprojecttracking@spp.org, [TWG REPRESENTATIVE(S)].
## Revision History

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<th>Ver No</th>
<th>Rev. Date</th>
<th>Eff. Date</th>
<th>By</th>
<th>Summary of Changes</th>
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<td>1.</td>
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<td>1/15/2014</td>
<td>C Frizzell</td>
<td>New Business Practice governing NTC’s issued after 1/1/2012</td>
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<td>7/15/2014</td>
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<td>10/30/2014</td>
<td>10/30/2014</td>
<td>C Frizzell</td>
<td>Modification to accommodate FERC Order 1000 process. Removed specific references to DTO, where appropriate, added reference to Att Y of the OATT, modified Study Estimate to be more generic</td>
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## Approval

Primary Owner: Shari Brown

Signature date supersedes prior approval dates
7070 Assignment and Novation

(NOTE: The following is information that is requested to be provided by the DTO when Assignment or Novation is pursued by the DTO that has been issued an NTC. This information is not intended to be SPP OATT definitions.)

Business Practice

1. Assignment

An “assignment” is the transfer of a DTO’s legal right to build a project pursuant to a NTC issued by SPP. Although the DTO has transferred its legal right to build a project pursuant to an assignment, the original DTO is still under a legal obligation to ensure that the project is built.

2. Novation

A “novation” is the release of the original DTO’s obligation to ensure that a project is built. After the DTO’s assignment of the right to build and the approval and execution of a novation, the new TO will have both the right and obligation to build the project. If the party receiving both an assignment and a novation fails to complete the project, the original DTO is not obligated to complete the project.

3. SPP Board Approval

3.1. Assignments

3.1.1. Criteria

The SPP Board shall approve Assignments conditioned only on the four specific criteria already identified in the SPP Tariff. Those criteria are:

a. The Entity’s having obtained all state regulatory authority necessary to construct, own and operate transmission facilities within the state(s) where the project is located;
b. The Entity’s meeting the creditworthiness requirements of the Transmission Provider;
c. The Entity’s having signed, or capability and willingness to sign, the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project; and,
d. The Entity’s meeting such other technical, financial and managerial qualifications as are specified in the Transmission Provider’s business practices.

3.1.2. Additional Information for Transparency Purposes

For transparency purposes SPP shall provide information regarding proposed assignments and supporting analysis to the RSC, MOPC, and Members Committee for review to increase transparency. This information will include:

a. The identification of the project proposed to be assigned;
b. The identification of the Transmission Owner making the assignment;
c. The identification of the entity receiving the assignment;
d. The identification and status of pertinent matters before FERC or state commissions related to the project including the assignment (this shall include the status of any certification proceeding, approvals, etc.);
e. A comparison of the DTO and proposed recipient of Assignment relating to each (assuming that party constructs the project) as applicable:
   i. Actual or Projected debt/equity ratios;
Assignments between affiliates are subject to the same criteria noted in Section 3.1.1; however, once an affiliate has provided the information to SPP it shall not be required to be resubmitted with each project thereafter provided there are no substantive information changes from the previous submission.

3.2. Novations

The SPP Board shall approve novations conditioned upon the information required in Section 3.1.1 above. If not already provided, the information provided in Section 3.1.2 above, as well as the following information:

- The identification and status of pertinent matters before FERC related to the novation of the project(s).
7100 Designated Transmission Owner Qualification Process

A Designated Transmission Owner (DTO) will be selected pursuant to Section 3.3(c) of the SPP Membership Agreement and Attachment O, Section VI of SPP’s Open Access Transmission Tariff (SPP Tariff)\(^85\). The goal of the process is for SPP Staff to confirm the qualifications of an entity (Alternate DTO) to construct transmission facilities that are the subject of the arrangement and the grant of a novation to the DTO.

Rationale

The purpose of this Business Practice is to facilitate the recognition of an arrangement made by a Designated Transmission Owner (DTO) pursuant to Section 3.3(c) of the SPP Membership Agreement and Attachment O, Section VI of SPP’s Open Access Transmission Tariff (SPP Tariff). The goal of the process is for SPP Staff to confirm the qualifications of an entity (Alternate DTO) to construct transmission facilities that are the subject of the arrangement and the grant of a novation to the DTO.

Business Practice

Prior to the start of this process, SPP must have identified a specific project to be built and a Notification to Construct (NTC) be sent to the DTO pursuant to Attachment O, Section VI of the SPP Tariff. If the DTO notifies SPP that it will arrange for another entity to build, own and maintain all or part of the project in its place, SPP shall implement this process to assess the qualification of the entity to build and own such. The DTO may designate an Alternate DTO after it has accepted the NTC or during the initial ninety (90) days after the receipt of the NTC (NTC Review Period). Failure of the DTO to make a written commitment to construct the project as specified in the NTC within the NTC Review Period shall cause SPP to implement its Transmission Owner Selection Process, and the DTO shall be subject to the conditions and procedures outlined therein.

Once the DTO has notified SPP that it will arrange for and has identified to SPP an Alternate DTO, SPP shall assign an employee at the Director level or higher to facilitate the process of SPP staff reviewing the qualifications of the Alternate DTO. If the request is received during the NTC Review period, SPP staff shall make a reasonable attempt to complete its review prior to the end of the period. The SPP staff’s review shall include those minimum qualifications specified in Attachment O, Section VI (6), as more specifically set forth in the SPP’s Transmission Owner Selection Process, Appendix 4 – Selection Criteria. SPP staff may utilize such consultants as it determines are necessary to provide specific expertise.

If, based on its judgment, SPP determines the identified entity to be qualified to build and own the project as arranged; SPP shall so notify the DTO. SPP staff shall thereafter obtain from the Alternate DTO agreements binding it as the DTO to all of the rights and responsibilities related to the arranged project pursuant to the NTC, the SPP Membership Agreement and the SPP Tariff. Upon the receipt of such binding agreements, SPP shall, at the original DTO’s request, enter into a Novation Agreement with the original DTO relieving it of its obligation under the SPP Membership Agreement and the SPP Tariff to build the project which is the subject of the arrangement. The qualification of the Alternate DTO must be reviewed by the TWG and MOPC. Results of the SPP, TWG and MOPC reviews must be presented to the SPP Board of Directors. The Alternate DTO must be approved by the SPP Board of Directors as being qualified in order for the obligation to be relieved from the original DTO and the project reassigned to the Alternate DTO.

If approval from the SPP Board of Directors is not granted, SPP shall so notify the DTO and the Alternate DTO of the rejection and that SPP shall continue to look to the original DTO for fulfilling its obligations under the SPP Membership Agreement and the SPP Tariff.

If, upon information obtained after the Novation Agreement has been approved, the Alternate DTO does not fulfill its obligations under the SPP Bylaws, SPP Membership agreement or SPP Tariff, SPP shall take action to reassign the NTC to another entity or to take other such appropriate actions as deemed necessary pursuant to those documents.
7150 Transmission Owner Selection when a Designated Transmission Owner Rejects a Notification to Construct

Business Practice

SPP sends a Notification to Construct (NTC) to the Designated Transmission Owner (DTO) for projects to be built pursuant to Attachment O, Section VI of the SPP Tariff. The purpose of this business practice is to define the process to be utilized by SPP in the event that DTO is unable or unwilling to arrange for the construction of a project identified pursuant to the SPP planning procedures. This overall selection process is depicted in the diagram found in Appendix 1.

If the DTO for a NTC either: 1) informs SPP that it does not want to be a DTO and does not arrange for another entity to assume the NTC in its place, 2) does not respond to the receipt of the NTC within the defined 90 day period and in the manner required by Attachment O, or 3) cannot reach an agreement on a modified NTC with SPP within the 90 day period, then SPP shall solicit a new Transmission Owner to build, own, operate and maintain the project pursuant to the following process:

(1) Staff will notify the Chairman of the Board of Directors (BOD) and the Chairman of the Oversight Committee.

(2) Within 15 days, the Oversight Committee (OC), with recommendations from SPP Staff, will form a Selection Committee (SC), consisting of a group of SPP Staff to oversee the selection process and to make a recommendation to the Oversight Committee in accordance with the process described herein. The Chair of the SC shall be an SPP employee at the Director level or higher. The SPP Staff members of the SC shall include at least one employee from each of the following functions, not to exceed nine members.

- Engineering
- Regulatory
- Operations
- Finance

(3) During the implementation of this Business Practice, the SC may, in its sole discretion, designate and utilize Stakeholder Experts in order to provide input and expert opinions to the SC. The designated Stakeholder Experts shall be selected for their expertise to supplement the knowledge and expertise of the SC.

For a Stakeholder Expert to qualify to participate with the SC, the Stakeholder Expert must not be an employee or consultant for any of the entities or their affiliates vying to construct the project. If, after a Stakeholder Expert is selected and agrees to participate, the company that the Stakeholder Expert represents in the SPP does initiate efforts to seek to construct the project, the Stakeholder Expert shall immediately notify the SC and shall be removed as a Stakeholder Expert. Each Stakeholder Expert must sign the SPP confidentiality agreement prior to participating in the selection process. Contact SPP Customer Service @ (501) 614-3200 for the current confidentiality agreement.
Stakeholders Experts shall be the primary source from which the SC shall obtain expertise which it deems to be beyond its capability. The SC may also utilize such consultants as it determines are necessary to provide specific expertise. The SC may on occasion query a Committee or Working Group regarding a matter it deems necessary to obtain such Committee’s or Working Group’s input. In the event the SC determines that it must query a Committee or Working Group, the query shall be narrowly designed in order to maintain the integrity of the evaluation process.

(4) Within 15 days of its formation, the SC’s shall issue a Request for Information (“RFI”). The purpose of the RFI is to generate a list of those entities interested in becoming the DTO for the NTC and which meet the list of minimum requirements given in Attachment O. The RFI will be developed by the SC based upon the original NTC issued by SPP and shall contain
   a. The overall parameters of the project;
   b. the original NTC; and
   c. any additional information as specified in Appendix 3.

The RFI will be distributed to the identified contacts for each Transmission Owner in SPP, each SPP Member, posted on the SPP website and OASIS and distributed to anyone who has expressed an interest in becoming a Transmission Owner in the SPP.

Those entities wishing to participate in the selection process must respond back to the SC within 30 days of the posting of the RFI with the required information contained in Appendix 3. The SC will review the responses for completeness and reject any response that is incomplete or does not meet the qualifications. The SC shall notify a responding entity if its response is rejected for being incomplete. If time allows, the responding entity may resend a corrected or modified response back to the SC for consideration. Entities whose response is determined to be complete will be considered a Qualified Entity (“QE”). Any entity that fails to respond to the RFI or whose response is rejected will not be considered further in this selection process.

(5) If no response to the RFI is received, then the SC will inform the OC and the BOD of the lack of interest and the obligation to construct shall remain with the DTO.

(6) Within 45 days after the RFI has been posted, the SC will develop and issue an RFP containing the information detailed in Appendix 3. The RFP will only be issued to those entities that have responded to the RFI and have met the qualifications of the RFI.

(7) Each Qualified Entity (“QE”) shall respond to the RFP within 60 days from the date the RFP is sent to the QE (“Response Window”). A QE may request an extension of time to the Response Window; however, the Response Window shall not be longer than 75 days from the date the RFP was sent to the QE. The SC may grant such an extension of time based on good cause provided by the QE. Good cause for an extension to the length of the Response Window may include, but not be limited to: documented proof that the RFP was not received in a timely manner by the QE, holidays, delay of information from SPP, and/or a delay in information from third parties required for the QE to complete its response to the RFP.

(8) If no response to the RFP is received, then the SC will inform the OC and the BOD of the lack of interest; and the obligation to construct shall remain with the DTO.

(9) The SC will immediately review each response to the RFP it receives for completeness. The SC will promptly return any response to the QE that is incomplete; however, the QE may resubmit a corrected or modified response if the resubmittal is made within the Response Window. Any QE that fails to respond to the RFP within the Response Window will be deemed to have waived its right to respond to the RFP.

88 Attachment O  SPP OATT
89 BP 7100 Appendix 3

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(10) Upon the receipt of the last QE response, or upon the closing of the Response Window, whichever is first to occur, the SC will begin its review of the information supplied by each QE responding to the RFP. The SC shall review all the responses to the RFP and make its recommendation to the OC based upon the selection process outlined in Appendix 4 within 30 days of the initiation of its review. During the review period the SC may ask additional questions of a responding QE and/or have each responding QE give a face-to-face presentation. The SC may take up to an additional 30 days to complete its review if either the number of responding QEs or the complexity of the analysis requires additional time. The SC must notify the OC of the extension and the reason for the extension prior to the end of the original 30 day review period. The recommendation shall rank each QE as prescribed by Appendix 4 in a non-discriminatory manner based upon the information supplied, or obtained, through the review period. The SC will compile an internal report detailing the process, participants, data and results of its deliberation. A public report will also be published by the SC; however, the public report shall not contain any confidential information obtained by the SC during the selection process. The public report shall be made available to all SPP stakeholders prior to the final selection of the BOD.

(11) The OC shall review the SC recommendation, results and explanations and submit those results, along with its recommendations to the SPP BOD. The SPP BOD shall select a QE for the project (Selected Transmission Owner or “STO”) and a backup QE based upon the input it receives from the OC.

(12) Upon the selection of the STO by the BOD, SPP shall notify the STO that it has been selected to become the new DTO for the project. The STO shall sign any necessary agreement(s) obligating it as the DTO to assume all of the rights and responsibilities related to the project and the NTC pursuant to the SPP Membership Agreement and the SPP OATT.

(13) If the STO does not respond within 15 days of notification, is no longer willing to become the DTO, or is unwilling to sign the necessary agreement(s), the STO shall be deemed to have waived its right to become the DTO and SPP shall notify the BOD, OC and the SC of the results. SPP shall then contact the backup QE and offer the project to it on the same terms the project was offered to the STO.

(14) If the backup QE also fails to sign the necessary agreement(s) to become the DTO within 15 days of notification, SPP shall notify the BOD, OC and the SC of the results. The SC and OC shall review the remaining applications and submit another recommendation to the BOD. If no other QE can be found to construct the project, then the original Transmission Owner shall remain the DTO and shall be required to begin following the requirements of the NTC.

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90 BP 7100, Appendix 4
91 SPP Open Access Transmission Tariff, Attachment O, Section VI (6), page 300L. SPP OATT
Transmission Owner Selection Process

Members of the SC are selected by the Oversight Committee (1 week)

SC develops an RFI to determine a list of interested entities (15 days)

Parties respond to RFI (30 days)

SC Reviews responses to the RFI (15 days)

SC issues the RFP to interested entities

SC evaluates RFPs (30 days)

SC makes Recommendation to Oversight committee

Oversight Committee makes recommendation to SPP BOD

BOD Selects STO

SPP Contacts STO

Selected QE does not sign agreements

Incomplete Response

No QE- Obligation to Construct remains with DTO

Selected QE executes agreements to become the DTO
Business Practice 7150 Appendix 2

Selection Committee Confidentiality Agreement
Between
The Southwest Power Pool, Inc.
and
(Recipient)

Please contact SPP Customer Service @ (501) 614-3200 for the current confidentiality (or NDA) agreement.
Business Practice 7150 Appendix 3 – RFI/RFP Procedures

Purpose
To identify the minimum Request for Proposal (RFP) requirements for selecting an entity to construct a transmission project in which the Designated Transmission Owner (DTO) has refused.

To facilitate the RFP process, it would be beneficial to first issue a Request for Information (RFI) for the specific project.

RFI Requirements
General
- Introduction/Background
- OATT / Regulatory context
- Purpose of RFI / statement of objective (tied to NTC and refusal of DTO to construct)
- Confidentiality statement (as applicable)
- RFI Timeline
- Notice of Intent to Bid (a standardized form) issued with the RFI

Consistent with Attachment O Section VI, paragraph 6, the RFI must state that the entity responding to the RFP must demonstrate the following to be considered a viable bidder:

- That the entity has obtained all state and regulatory authority to construct, own and operate transmission facilities within the state(s) where the project is located
- That the entity meets the creditworthiness requirements of the Transmission provider (SPP)
- That the entity has signed or is capable and willing to sign the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project

RFP Requirements
1. General
   - Introduction/Background
   - OATT / Regulatory context
   - Purpose of RFP / statement of objective (tied to NTC and refusal of DTO to construct)
   - Confidentiality statement (as applicable, covering the confidentiality of the bids and what those evaluating the bids have agreed to in terms of a confidentiality statement)
   - Dispute resolution process

2. Bid Content Requirements and Submission Procedures
   - Demonstration that the entity has signed or is capable and willing to sign the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project
   - Demonstration that the entity has obtained all state and regulatory authority to construct, own and operate transmission facilities within the state(s) where the project is located
   - Timetable for RFP bids
     - RFI issued
     - Notice of intent to bid
     - RFP issued
SPP OATT Business Practices

- Pre-bid Q and A deadline
- Pre-bid conference (if appropriate)
- Bid due dates
- Information policy
- Clarification of proposals
- Bid selection date

- RFP primary contact
- Identification of major partners, contractors, and associated contracts
- Requirements to comply with Good Utility Practice, SPP criteria, industry standards, applicable Transmission Owner construction/technical criteria, and applicable local, state, federal requirements
- Duration of Offer
- Conditions of Bid
- Managerial qualifications

3. Financial
- Demonstration of financing
- Demonstration of meeting SPP creditworthiness requirements
- Demonstration of articles of incorporation
- Cost estimates
- Statement of cost recovery
- Demonstration of Revenue Requirement calculations

4. Engineering and Construction
- Statement of whom will engineer/design the project
- Minimum technical requirements/specifications
  - Technical requirements for conductors, terminations, structures, etc. (as applicable and tied to the NTC)
- Demonstration of applicable qualifications and certifications to construct in the state in which construction is required
- Anticipated timeline of project
  - Schedule estimates
  - Progress milestones
  - Progress reports
- Demonstration of past transmission construction experience
- Equipment acquisition process
  - Construction equipment
  - Transmission line material
- Description of applicable ROW/real estate acquisition process
- Description of routing process
- Description of permitting processes
  - Eminent domain status
  - Process for obtaining easements
  - Surveying responsibility
- Description of construction clearance processes. (Permission from the local operations group to cross other lines, turn off reclosers; have nearby lines reenergized while working on or near them, etc.
- Who will have the responsibility to inspect the construction?

5. Operations and Maintenance
- Demonstration of operations
  - Statement of which entity will be operating and maintaining the line
- Demonstration of compliance with SPP ERO, NERC requirements
- Description of relevant control center operations
• Storm / outage response plan
• Maintenance Plan
  o Staffing
  o Equipment
  o Crew training
• Record of past maintenance performance

6. Information Exchange
• Identification of data required to be provided to the SPP in accordance with NERC reliability standards (for power flow, short-circuit, stability analysis etc.)
• Data of design of the facilities for the Transmission Provider
• CEII requirements

7. Safety program/Current/past statistics
• Internal safety program
• Contractor safety program
• Safety performance record

8. Evaluation Procedure (should be listed in RFP)
• Statement of bid evaluation methodology
  o For acceptable bids
  o For bid selection
  o Use of an independent evaluator (if applicable)
• Bid Evaluation fees (if applicable)

9. Attachments - under the premise that standardized forms from each bidder will aid in the evaluation of each bid by SPP.

Possible Standardized Forms
  o Notice of Intent to Bid (part of the RFI)
  o Bid certification
  o Bid Cover Sheet
  o Pricing
  o Regulatory Milestones
  o Construction Milestones
  o Representation Authorization
  o Bid exceptions
Business Practice 7150 Appendix 4 – Selection Criteria

Purpose
To identify the process used in the rating and selection of the Selected Transmission Owner.

General
The Selection Committee will use “Reasonable Professional” standard in evaluation of proposals from the various respondents.

Minimum requirements (regulatory authority, credit worthiness, and TO membership) must be met in order to included in this process.

The Selection Committee will score respondents on the items described below. Highest score may not always be selected. Low scores in individual categories may eliminate respondents from consideration.

Process
Each Selection Committee member will score respondents’ proposals by category from zero to the allowed number of points for that category. Points are totaled for all respondents and the results are used in guiding the committee to the ultimate selection. There are 100 possible points for each respondent RFP.

Categories
- **Project Expertise**- 20 points
  - Engineering
  - Permitting
  - Environmental
  - ROW Acquisition
  - Procurement
  - Project Management (including scope, schedule management)
  - Construction
  - Commissioning
  - Technology content
- **Safety program/Current/Past statistics**- 15 points
  - Internal safety program
  - Contractor safety program
  - Safety performance record (program execution)
  - RFP conformance
- **Cost to customer**- What will the (long term) final impact be on the customer’s bill?- 20 points
  - Estimated total cost of Project
  - Financing costs
  - FERC Incentives
  - Revenue Requirements
  - Lifetime cost of the project to customers
- **Reliability/Quality/General Design**- 15 points
  - Type of Construction (wood, steel, design loading, etc.)
  - Estimated total owning costs
  - Losses (design efficiency)
SPP OATT Business Practices

- Estimated life of construction

**Operations - 15 points**
- Control Center operations (staffing etc.)
- NERC compliance - process/history
- Storm/Outage response plan
- Past reliability performance

**Maintenance - 15 points**
- Staffing
- Maintenance plans
- Equipment
- Crew training
- Maintenance performance/expertise
- NERC compliance - process/history

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**Approval**

Primary Owner: Jimmy Womack

Signature date supersedes prior approval dates

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7160 Notice to Construct Re-evaluation Review

The process for issuing Notifications to Construct (NTCs) is fully described in Business Practices 7050 and 7060 as well as in Attachment O, Section VI of the Tariff. Projects assigned an NTC under the ITPNT or ITP10 processes will be reviewed to determine if the projects will be re-evaluated. The intent of NTC project re-evaluation is to assess the continued need for the project(s) and the project’s required in-service date. This business practice is intended to clarify the criteria used to determine transmission projects assigned NTCs that will be re-evaluated.

Business Practice

- **ITP Study Process**
  - 10-Year Assessment – ITP10
  - Near Term Assessment - ITPNT

This Business Practice clarifies the conditions under which an NTC will be re-evaluated during the ITP study process. The need for a re-evaluation of an NTC may arise from the availability of new information such as material changes to modeling assumptions, public policy, and project costs. These changes may result in a need to modify or replace NTCs to construct a more cost effective project. This business practice is applicable to NTCs resulting from the ITP Study Process that are issued after 1/1/2012.

Re-evaluation of an NTC will be initiated based on the following criteria:

- Any of the requirements for re-evaluation in Business Practices 7050 or 7060 are met;
- There has been a change in Public Policy directly related to a project designated in the ITP study process as a Policy Project;
- An event has occurred causing significant change to an area and re-evaluation has been approved by TWG;
- Upon DTO request to re-evaluate its assigned NTC or;
- Total estimated project cost exceeds $20 Million and;
  - The NTC has been issued for at least one year and;
  - The NTC has a Need Date greater than 48 months from the NTC issuance date and;
  - The DTO has not held public meetings to discuss proposed routes for a Project and;
  - Committed expenditures as of the date of end of re-evaluation should not exceed 10% of the baseline NTC cost estimate.

Applicable ITP Study Process for NTC Re-evaluation:

- Reliability projects meeting the NTC re-evaluation criteria with Need Dates within the current ITPNT planning horizon will be re-evaluated during the current ITPNT.
- Reliability projects meeting the NTC re-evaluation criteria with Need Dates beyond the current ITPNT planning horizon will be re-evaluated during the subsequent ITPNT with a horizon including the project’s need date.
Economic and Public Policy projects meeting the NTC re-evaluation criteria will be reviewed during the next ITP10.

A DTO request to re-evaluate their assigned NTC outside of the ITP Study Process will require BOD approval.

Determinations for re-evaluations in addition to the initial re-evaluation will be based on project lead times necessary to allow the Need Dates of the projects to be met.

When an NTC has been chosen for re-evaluation, the DTO will be contacted by SPP and informed of the project’s re-evaluation status.

**NTC Review Closing Dates\(^2\):**

- **ITP10**: The closing date will be July 1\(^{st}\) of the current cycle of the ITP10 for the performance of the NTC review and the receipt of DTO re-evaluation requests.
- **ITP10**: The closing date will be four (4) months following the start of the current ITP10 cycle for NTC review for the performance of the NTC review and the receipt DTO re-evaluation requests.

The withdrawal or modification of an NTC Project must not:

- *Cause adverse impact to existing Service Agreements or other contractually committed service under the Tariff.*
- *Result in the inability to meet reliability standards.*
- Render sold firm transmission service undeliverable.
- Render interregional studies or agreements invalid.

Upon approval of the BOD to withdraw an NTC, the DTO which received the NTC will be notified of the change in status of the Project. The NTC Project will also be removed from all planning models including TS and GI models.

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**Approval**

Primary Owner: Shari Brown

Signature date supersedes prior approval dates.

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\(^2\) Consideration for re-evaluation will be given to an NTC based on the occurrence of unforeseen circumstances adversely affecting the project after the specified closing date.
7200 Requirements for External Generators

External generation resources are allowed to participate in the SPP EIS (Energy Imbalance Service) Market, subject to appropriate registration, implementation and scheduling procedures. Mutual agreements and covenants regarding External Generators are governed by Attachment AO, of the SPP OATT. If all or part of a generating resource has been identified as a Designated Resource and has also been pseudo tied into the Balancing Authority (BA) where the market load resides, such a generating resource is not considered to be an external generator resource but must meet the requirements as a market resource.

Business Practice

Registration:

- The entity wishing to have the External Generator participate in the EIS Market shall register with the SPP to become a Market Participant in the SPP EIS Market, in accordance with SPP EIS Market Protocols.
- Each External Resource (Generation Facility Name and Location) must be registered separately with SPP and registration information shall be provided to both the Source Balancing Authority and the Sink Balancing Authority.
- Market Participant may work directly with the Source Balancing Authority and Sink Balancing Authority to arrange for external generation participation, or may request SPP help in facilitation.

Implementation:

- SPP OATT, Attachment AO, does not provide for the reservation or sale of Transmission Service under the SPP’s Open Access Transmission Tariff (OATT) or on any other transmission system. Market Participant is responsible for securing and paying for all costs associated with non-SPP provided transmission service across all transmission service providers necessary to deliver power from the External Resource to the SPP Transmission System.
- Except as provided below, the Market Participant shall secure Firm Transmission Service from where it is physically located through a defined path to the SPP Transmission System.
- Any External Resource that is on the SPP Transmission System, but outside the Market Footprint, satisfies the requirement for obtaining transmission service to the SPP Transmission System. This shall be interpreted to mean that no additional transmission service reservation on the SPP OASIS is required.

93 SPP OATT, Attachment AO
94 SPP EIS Market – Market Protocols
95 SPP OASIS – SWPP OASIS
Market Participant may use non firm service across all transmission service providers necessary to deliver power from the External Resource to the SPP Transmission System, subject to the following conditions:

- SPP Operating Reserves may be utilized to support the transaction, or
- The Source or Sink Balancing Authority and any intermediary transmission service providers agree to request an adjustment to the pseudo-tie values only under emergency conditions requiring action to be taken more quickly than can be achieved through the Market Operating System (MOS).

External Generator Tagging:
External generation tags into the SPP EIS Market are subject to the following guidelines:

EXCEPTION: An External Resource that is on the SPP Transmission System, but outside the Market Footprint is not required to submit a pseudo tag.

- Must use the type “Pseudo” NERC E-tag.
- Must include “SPP Market External Generator” in the misc/comment field of said tag.
- Source of the pseudo tag must be the market registered source/settlement location.
- Sink of the pseudo tag must be the sink settlement location as agreed to by the Sink Balancing Authority.
- Pseudo tag shall never exceed the maximum resource capacity on the Market Participant’s resource plan.
- Pseudo tag must be submitted no later than 20 minutes prior to start.
- SWPP must be a scheduling entity on the Transmission Provider line.

Resource Plan:

- Resource plan changes shall be consistent with SPP EIS Market Protocols.

SPP Transmission Requirements:

- No transmission reservation is required for the portion of service within the SPP footprint.
SPP OATT Business Practices

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Approval

Primary Owner: Jimmy Womack

Signature date supercedes prior approval dates
Network Resource Interconnection Service is provided by SPP pursuant to Section 3.2.2 of the Generator Interconnection Procedures (Attachment V). Process and procedure guidelines have been established in order to attain a common understanding regarding the study process and the integration of NRIS facilities into the SPP Transmission System. Differences between Energy Resource Interconnection Service (ERIS) and NRIS are also identified.

**Business Practice**

**Current Day Rules and Procedures:**

1) Energy Resource Interconnection Service (ERIS) will be studied based on Attachment V of the SPP OATT, using various percentages of Generation Interconnection request values spread to the entire SPP footprint based on the load ratio share of the Transmission Owner zones. Upgrades required to interconnect the ERIS generating facility will be cost allocated based on a 20% TDF threshold.

2) Network Resource Interconnection Service (NRIS) facilities will be studied based on an analysis through Attachment V of the SPP Open Access Transmission Tariff (OATT), using the nameplate amount of the resource to the interconnection host zone. Upgrades required to interconnect will be identified and cost assigned based on a 3% TDF threshold. NRIS studies also include an ERIS component which uses various percentages of nameplate values spread to the entire footprint based on the load ratio share of the Transmission Owner zones. Upgrades required to interconnect will be identified and cost allocated based on a 20% TDF threshold.

3) Once interconnection is complete, there is no difference between SPP Operations’ treatment of generating facilities regardless of generation interconnection type (NRIS or ERIS).

4) Neither NRIS nor ERIS guarantees transmission service or deliverability pursuant to Part II or Part III of the SPP OATT. Transmission service must be requested and studied through the same process as any other Designated Resource wanting to deliver energy to a specified point (Point-To-Point Transmission Service) or to a specified Network Load (Network Integrated Transmission Service).

5) Base Plan funding determinations for Base Plan Upgrades are subject to limits stated in Attachments Z2 and J of the SPP OATT. Upgrades required to attain either NRIS or ERIS are not eligible for Base Plan funding.

**Future Procedure consideration:**

1) Current business rules will change once the new SPP Integrated Marketplace is implemented.
Definitions

**Designated Resource:** Any designated generation resource owned, purchased or leased by a Transmission Customer to serve load in the SPP Region. Designated Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Transmission Customer's load on a non-interruptible basis.

**Energy Resource Interconnection Service:** An Interconnection Service that allows the Interconnection Customer to connect its Generating facility to the Transmission System to be eligible to deliver the Generation Facility's electric output using the existing firm or nonfirm capacity of the Transmission System on an as available basis. Energy resource interconnection Service in and of itself does not convey transmission service.

**Firm Transmission Service:** The highest quality (priority) service offered to customers under a filed rate schedule that anticipates no planned interruption.

**Grandfathered Agreements or Transactions:** Grandfathered Agreements or Transactions include (1) agreements providing long term firm transmission service executed prior to April 1, 1999 and Network Integration Transmission Service executed prior to February 1, 2000; (2) bundled wholesale contracts (that reserve transmission as part of the contract); (3) short-term firm and non-firm point-to-point transmission transactions which were accepted and confirmed prior to the Effective Date; (4) existing or new contracts entered into by the Southwestern Power Administration on behalf of the United States for the use of transmission facilities of the Southwestern Power Administration that are constructed or acquired by purchase or other agreement, as authorized under Section 5 of the Flood Control Act of 1944, for the transmission of Federal Power; and (5) contracts executed before the Effective Date, regardless of term, entered into by the Southwestern Power Administration on behalf of the United States for the transmission of power or energy across transmission facilities owned and operated by the Southwestern Power Administration; (6) contracts entered into by a Nebraska public-power entity prior to the transfer of functional control of its transmission facilities to the Transmission Provider; (7) existing contracts entered into by a Member which is a Nebraska public-power entity with any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from such Member; and (8) new contracts entered into by a Member which is a Nebraska public-power entity with any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from such Member to the extent that provision of service under the Tariff would not satisfy such Member’s obligation under state law. These agreements are set forth on the list which is Attachment W to this Tariff. Umbrella service agreements are specifically not Grandfathered.

**Long-Term Service:** Long-Term Firm Point-To-Point Transmission Service or Network Integration Transmission Service of one year or longer in duration.

**Network Integration Transmission Service:** Service that allows an electric transmission customer to integrate, plan, economically dispatch and regulate its network reserves in a manner comparable to that in which the Transmission Owner serves Native Load customers. This transmission service is provided under Part III of the SPP Tariff.
**Network Resource Interconnection Service:** An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission System in a manner comparable to that in which the Transmission Owner integrates its generating facilities to serve Native Load Customers as a Network Resource. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Non-Firm Transmission Service:** Transmission service that is reserved on an as-available basis and is subject to curtailment or interruption.

**OATT:** Open Access Transmission Tariff

- **Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- **Part III:** Tariff Sections 28 through 36 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

**Point-To-Point Transmission Service:** The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the SPP Tariff.

**Short-Term Service:** Short-Term Firm Point-To-Point Transmission Service or Network Integration Transmission Service of less than one year in duration.

**SPP:** The Southwest Power Pool, Inc.

**Transfer Distribution Factor (TDF):** A general term, which may refer to either PTDF or OTDF – The TDF represents the relationship between the participation adjustment of two areas and the Flowgates within the system.

**Transmission System:** The facilities used by the Transmission Provider to provide transmission service under Part II, Part III and Part IV of the SPP Tariff.

**SPP OATT References:**
Part II
Part III
Attachment C
Attachment J
Attachment V
Attachment AC
Attachment Z1 & Z2
## SPP OATT Business Practices

<table>
<thead>
<tr>
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<td>RTO-TA: Network Resource Interconnection Service</td>
<td>1.0</td>
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### Revision History

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<td>7/12/2011</td>
<td>7/12/2011</td>
<td>Cm</td>
<td>New Business practice</td>
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</table>

### Approval

Primary Owner: Jimmy Womack

*Signature date supercedes prior approval dates*
Business Practice

A. Basic Principles of Applicability

As set forth in Section 2.1 of Attachment V to the SPP Open Access Transmission Tariff ("OATT"), the OATT’s Generator Interconnection Procedures ("GIP") apply to the processing of Interconnection Requests for generator interconnections to the Transmission System that are subject to FERC jurisdiction. Any generator interconnecting to the Transmission System where such interconnection is subject to FERC jurisdiction must submit an Interconnection Request pursuant to Attachment V of the SPP OATT.

B. Exceptions to Applicability

This guideline serves to clarify application of the GIP by providing examples of instances where the GIP would not apply.

Examples include, but are not limited to instances where:

1. The Generating Facility will be a Qualifying Facility ("QF") where the QF’s total output will be sold to its host utility according to PURPA and subject to state jurisdiction.96

2. The Generating Facility will interconnect to a facility not already subject to the OATT at the time the request is submitted, whether or not it plans to make wholesale electric energy sales.97

3. The Generating Facility will produce electric energy to be consumed only on the Interconnection Customer’s site.98

96 Interconnection Customers claiming exemption from the GIP must provide documentation of Qualifying Facility FERC certification, substantiating state jurisdiction and documentation from the host that 100% of the output will be sold to the host utility at avoided cost. QFs intending to make third party sales are subject to FERC jurisdiction per Order 2003 and are appropriately studied as part of the GIP. See FERC Order No. 2003 at P 814 ("[T]he Commission has jurisdiction over a QF’s interconnection to a Transmission System if the QF’s owner sells any of the QF’s output to an entity other than the electric utility directly interconnected to the QF. . . This jurisdiction applies to a new QF that plans to sell its output to a third party, and to an existing QF interconnected to a Transmission System that historically sold its total output to an interconnected utility or on-site customer and now plans to sell output to a third party."). See also FERC Order No. 2003 at P 813; FERC Order No. 2006-A at PP 100-102; PURPA 292.203.a (3); PURPA 292.303. No interconnection of a QF pursuant to the GIP affects or diminishes any substantive rights of the QF to assert non-FERC jurisdictional status at any time according to the requirements of the law.

97 See FERC Order No. 2006 at PP 5, 8; FERC Order No. 2003 at P 804; FERC Order No. 2003-A at P 710; FERC Order No. 2003-C at P 51. At the time an Interconnection Request is made to interconnect to a non-jurisdictional facility, the interconnection is not subject to the GIP. After a Generation Facility that makes wholesale electric energy sales has been connected, the interconnection facility is now subject to an OATT for Interconnection Requests made after that time.

4. The Generating Facility will be used to supply energy only to unbundled retail customers over local distribution facilities.  

5. Generating Facility will not operate in sustained parallel with the Transmission System. For purposes of this exception, “sustained parallel” applies to any Generating Facility which operates in synchronous operation with the electrical power system for 100msec or more.

C. System Studies for Non-jurisdictional Facilities

Generator interconnections, not subject to the OATT, may still require studies to identify impacts on SPP’s or the Host Transmission Owner’s (“Transmission Owner”) transmission system. The Transmission Owner will notify SPP of interconnection requests of 5 MW or more that are submitted directly to the Transmission Owner because they fall under the exemptions in this business practice; or are otherwise required by the Transmission Owner’s processes to be studied pursuant to SPP’s study process. SPP and/or the Transmission Owner will evaluate each interconnection request not subject to OATT requirements and will make the final determination whether the interconnection study will be performed by SPP and/or by the Transmission Owner. In instances where further study is warranted, such studies will be performed by the Transmission Owner or SPP, at the direction of the Transmission Owner. Non-jurisdictional generator interconnection customers may be required to enter into the appropriate study agreements with SPP to facilitate an Affected System Agreement. Additionally, requests for non-jurisdictional generator interconnections may be required to be coordinated with SPP in accordance with NERC standards.

Although such studies may be performed within SPP’s GIP for planning purposes, the non-jurisdictional generator interconnection customer will not be subject to the OATT. In such instances, the following shall apply:

1) When notified, the Transmission Owner is responsible for conducting any required studies to determine if the request may impact the Transmission System.

2) Should the Transmission Owner determine that the generator interconnection may impact the Transmission System, the Transmission Owner shall notify SPP of such impacts and provide to SPP any system impact studies that detail such impacts.

3) As an impacted system, SPP will determine what additional studies will be required to coordinate the impacts, up to and including studying the impact in the Definitive Interconnection System Impact Studies. The Transmission Owner/distribution provider shall require as a condition of interconnection with the interconnection customer, that all SPP required studies be completed. The Transmission Owner/distribution provider shall have the option to enter into the applicable Affected System study agreements and to be financially responsible for such studies, or as a condition of interconnection, to require the interconnection customer to submit a request to enter the Definitive Interconnection System Impact Study process or other SPP study process as applicable.

4) It shall remain the Transmission Owner’s responsibility to complete any generator interconnection agreements in accordance with the Transmission Owner’s generator interconnection procedures regarding the completion of Network Upgrades required on the Distribution System and on the Transmission Owner’s transmission system.

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99 Unbundled retail service over local distribution facilities is not under FERC jurisdiction. See FERC Order No. 2006 at PP 7-8 and n.8.

100 The Transmission Owner(s)/distribution provider(s) has the ability to pass-through the Interconnection Study costs to its customer.
5) If SPP’s studies show that Network Upgrades are required on the Transmission System, the Transmission Owner/distribution provider shall have the option to enter into a facilities agreement with SPP or require, as a condition of interconnection, the interconnection customer to enter into a facilities agreement with SPP and any affected Transmission Owner(s)/distribution provider(s) to complete the Network Upgrades required on their Transmission System.

6) All Network Upgrades must be completed prior to operation of the Generating Facility, unless other mitigations have been approved by SPP until the Network Upgrades are completed.

Explanation / Rationale

This Business Practice is intended to be general information for SPP customers.
Business Practice

A customer may submit a waiver request, pursuant to Attachment J Section III.C.1, at any time after the posting of the first iteration of the aggregate study, but not later than 15 days after being notified that the aggregate study is final. The request should be submitted to the contact listed on the Transmission Provider’s OASIS under the section of posted Transmission Service Studies and all documentation necessary for the Transmission Provider to evaluate the request should be provided.

The Transmission Customer shall provide additional relevant information that would assist the SPP Staff in evaluating the waiver request.

Attachment J of the Tariff requires the Transmission Provider, after receiving a waiver request, to provide a recommendation on a non-discriminatory basis to MOPC of the amount of the costs of service upgrades that exceed the Safe Harbor Cost Limit to receive Base Plan funding consideration.

Barring unusual circumstances, the Transmission Provider shall calculate the recommendation amount of costs that exceed the Safe Harbor Cost Limit which may be classified as Base Plan Upgrade costs eligible for cost allocation (waiver amount) by multiplying the number of years which the duration the Transmission Customer’s commitment to the new or changed Designated Resource exceeds the five year minimum commitment period, by 2.5%, multiplied by $180,000 per MW.

The commitment duration shall be considered the term of the Power Purchase Agreement or the term of the transmission service request.
Business Practice

The process and timeline for application and qualification for the Transmission Owner Selection Process ("TOSP") for Competitive Upgrades is detailed in Attachment Y, Section III.1 of the SPP OATT.

Application / Recertification Process

For an entity to qualify to participate in the TOSP, it must submit to the Southwest Power Pool a Qualified RFP Participant ("QRP") Application no later than June 30th of the year prior to period the entity wishes to participate ("Applicant"). The Southwest Power Pool Qualified RFP Participant Application will be available on www.spp.org. Completed applications must be submitted to SPP along with any support information via the SPP Request Management System (RMS). The SPP RMS tool can be accessed at the following address: https://spprms.issuetrak.com/login.asp

SPP shall complete its review of the submitted QRP applications no later than September 30th of each year. By no later than September 30, SPP will notify each Applicant whether it has met the qualifications to participate in the TOSP or if its application is deficient. If SPP determines there are deficiencies in the QRP application, the Applicant shall have thirty (30) calendar days to submit the missing information. SPP will have up forty-five (45) calendar days following the receipt of the additional information to determine if the Applicant satisfies the qualification criteria. If, after attempting to cure the deficiency, the Applicant still has not satisfied the qualification criteria, SPP will consider the application withdrawn and the entity will not be eligible to participate in the RFP process for the next year.

Once SPP has determined that an Applicant has met the qualification criteria, it will notify the Applicant that it has determined the Applicant to be a Qualified RFP Participant and is eligible to participate for any Competitive Upgrade authorized starting January 1 of the next calendar year. SPP will post on its website all QRPs for the next calendar year.

All QRP related communications, including responses to deficiencies and disputes by entities, must be made through the SPP RMS tool as described above.

Once an entity becomes a QRP, it is not required to submit the detailed qualification criteria for the next four years; however each QRP is required to submit a notarized letter that no material changes have occurred to the information submitted in the QRP Application by June 30th of each year.

Should any material changes to the information supplied by a QRP occur at any time, the QRP is required to notify SPP within 7 days. SPP will make a determination of their QRP status as required by the tariff.

Application Fee

The application fee is required to be paid prior to the application package being accepted. Application fees shall be paid by check or by electronic funds transfer. Applications will not be reviewed until the fee is paid.

Qualification Criteria

Each application will be reviewed by SPP Staff to determine QRP qualification status. Specific qualification criteria are listed in the tariff.
Important Dates for the QRP Process

QRP Applications Due: June 30
QRP Recertification Letters Due: June 30
QRP Determinations Completed: September 30
Final QRP List Posted: December 31

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<td>Order 1000 Transmission Owner Selection Process</td>
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<td></td>
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<td>1.1</td>
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<td>E. Bright</td>
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Approval

Primary Owner: Shari Brown

Digitally signed by Shari Brown
DN: cn=Shari Brown, or:Southwest Power Pool (AUX)
Email: sbrown@spp.org, ext:6
Date: 2014/03/26 10:15:21 -06'00"
Business Practice
The purpose of this Business Practice is to describe the process for submission and treatment of a Detailed Project Proposal (“DPP”) during the Integrated Transmission Planning (“ITP”) study process as outlined in Attachment O of the SPP Tariff. After the applicable ITP study scope has been approved, and the needs assessment has been performed, SPP staff shall notify stakeholders of the identified transmission needs and provide a transmission planning response window of thirty (30) days during which any stakeholder may submit a DPP. The information supplied by the stakeholder in the DPP must be sufficient to allow SPP staff to evaluate the project described by the DPP pursuant to Section III.8.b of Attachment O of the Tariff.

If the project described in a DPP is selected and approved for construction as a Competitive Upgrade, the submitting stakeholder may be eligible to receive incentive points pursuant to the eligibility requirements described in Section III.2.f.iv of Attachment Y of the Tariff.

Notification of Open Window for DPP Submittal
SPP will provide notification via the SPP website and email exploder when transmission needs have been posted for a specific ITP study and post the 30-day response window when a stakeholder may submit a DPP. Requirements for the submission of a DPP are contained in Section III.8.b of Attachment O of the Tariff.

DPP Submittal
To propose a DPP, stakeholder(s), hereinafter referred to as “Submitter,” shall submit the necessary information to SPP via the Request Management System (RMS). The necessary information must be submitted within the prescribed 30-day transmission planning response window in order to qualify as a DPP. The information required for a DPP submittal is included in the DPP Submittal Form that is found in Exhibit A. The DPP Submittal Form must be used when submitting the DPP to SPP staff.

DPP Receipt and Response
Upon receipt of the DPP submittal, SPP will verify that the DPP was received within the 30-day transmission planning response window, based on the time and date stamp in the RMS of such submittal, and verify that the submittal is complete. If a DPP submittal is received outside of the 30-day transmission planning response window, SPP staff will notify the Submitter via email that its submittal does not qualify for incentive points.

Notification to Submitter of an Incomplete DPP
If SPP staff determines a DPP Submittal Form is incomplete, SPP staff will notify the Submitter via email. The notification will be sent to the Submitter no later than 10 business days after the close of the transmission planning response window. The Submitter is permitted to remedy the deficiencies by the latest date of the following (cure period):

- The end of the transmission planning response window; or

- 10 business days after SPP issues the notification using the date stamp of the issued email.
If the missing information is not received within the required timeframe, or if the DPP is still incomplete at the end of the cure period, the proposed project will not qualify as a DPP and will not be eligible to receive incentive points if the project is ultimately approved for construction during that ITP. SPP will notify the Submitter that DPP submittal is disqualified from consideration for incentive points.

**Notification to Submitter of Accepted or Disqualified DPP**

SPP will notify the Submitter via email of the acceptance or the disqualification of its DPP. A stakeholder that submits a DPP Submittal Form that is equivalent to a DPP or a Transmission Provider identified project in a previous ITP assessment during the current three-year ITP planning cycle shall not be eligible for incentive points unless the stakeholder is the original Submitter. SPP retains the right to use the suggested project in its planning process even if the submitter of the project does not qualify for incentive points.

**Cost Estimates for DPP Projects**

It is not a requirement that a DPP include a transmission cost estimate. Cost estimates will be developed throughout the study process. The development of the cost estimate will be the responsibility of SPP. The cost estimate included at the time of project approval by the SPP Board of Directors will be at a +/-30% level of confidence.

**DPP Selection**

SPP staff will use the following criteria to determine when a project submitted via a DPP is the same as a transmission project in the recommended portfolio:

- Transmission line voltage (same);
- Termination points including transformers (same or similar)\(^ {101} \);
- Equipment rating of lines and transformers in MVA (within +50%);
- Impedance (within +/-25%); and
- Viability: Does not create additional reliability issues not already addressed.

**Selection Notification**

After the SPP Board of Directors approves an ITP portfolio of projects, SPP staff will notify each of the Submitters in writing whether or not it’s DPP was approved for construction by the SPP Board of Directors where the Transmission Owner will be selected utilizing the Transmission Owner Selection Process as described in Attachment Y of the Tariff. Concurrent with written notification to each of the Submitters, SPP Staff will post on the SPP website the names of the approved ITP Portfolio of projects that has associated DPPs pursuant to the Transmission Owner Selection Process as described in Attachment Y of the Tariff.

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\(^{101}\) Similar termination points determined if they are located no more than 1 bus away and within 15 linear miles from a Board approved project.
Exhibit A (Draft)

Detailed Project Proposal (DPP)   DPP # ______________

Submittal Form   Study:  □ ITPNT  □ ITP10  □ ITP20

This form must be completed for each project that is submitted to SPP in accordance with Section III.8.b. of Attachment Q of the SPP Tariff and SPP Business Practice _____. This form must be received within the 30-day DPP open window during the ITP process in order to be eligible for the Transmission Owner Selection Process (“TOSP”) incentive points. If previously submitted, the proposed project would have to be resubmitted during the DPP open window to remain eligible for TOSP Incentive Points.

Submitter Company:______________________________________________

Contact Name:__________________________________________________

Contact Phone/Email:___________________________________________

DPP Information
The information supplied by the Submitter must be sufficient to allow SPP to evaluate the project described in the DPP. At a minimum, the DPP must include the information below.

<table>
<thead>
<tr>
<th>General Project Information</th>
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<tr>
<td>Description of the Project:</td>
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Supporting Documentation provided:

One-line diagram(s):  □ Yes  □ No
Configuration(s):  □ Yes  □ No
PSS/E version ## IDEV:  □ Yes  □ No

Proposed line routing:

Preliminary transmission line engineering and design data:

Preliminary substation engineering and design data:

<table>
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<tr>
<th>ITP Need(s) Addressed</th>
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<tr>
<td>-----------------------</td>
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158
Describe the need(s) including need by date(s), applicable ITP future identified in the ITP process that this upgrade will address:

<table>
<thead>
<tr>
<th>Proposed Project Schedule</th>
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<tbody>
<tr>
<td>Proposed project schedule including, at a minimum timelines for completing regulatory, right-of-way, environmental, engineering, procurement, construction activities, and expected in-service date:</td>
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<table>
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<tr>
<th>Risk(s) Identification</th>
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</thead>
<tbody>
<tr>
<td>Describe any known or anticipated risk(s) to the project schedule: None</td>
</tr>
<tr>
<td>For any risk listed, please provide the recommended mitigation plan: None</td>
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| Environmental Impact(s) |
Describe any known or anticipated environmental impact(s):  □ None

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<th>Engineering and Modeling Data Required</th>
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<tr>
<td>Engineering and modeling data required by SPP: (termination points, bus numbers, voltage levels, MVA and MW rating, transformers)</td>
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<table>
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<tr>
<th>Changes to Modeling Assumptions</th>
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<tr>
<td>Were any modeling assumptions modified from those used in the current ITP process?  □ Yes  □ No</td>
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<tr>
<td>For any modifications to modeling assumptions made, please provide the identification and justification for the change(s):</td>
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| Transmission Economic or Reliability Analysis |
Provide the results of any transmission economic or reliability analysis, if applicable:

N/A □ Results provided (i.e., PSSE IDEV or PROMOD analysis provided with accompanying narrative)

Other Information
Other information provided (please list):

Received by: ________________________________

Date/Time Received: ________________________________

Revision History

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<th>Rev. Date</th>
<th>Eff. Date</th>
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<td>1/15/2014</td>
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<td>B. Hoden</td>
<td>Order 1000 New Business Practice for Detailed Project Proposal</td>
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<tr>
<td>1 1</td>
<td>4/5/2014</td>
<td>4/5/2014</td>
<td>B. Hoden</td>
<td>Modifications per April 2014 MOPC meeting</td>
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Approval
Primary Owner: Shari Brown

Digitally signed by Shari Brown
DN: cn=Shari Brown, o=Southwest Power Pool, ou=Legal, e=shari brown@pppp.org, c=US
Date: 20140528 10:04:32-06'00'
Signature data expires prior to approval date.
7700 Order 1000: Request for Proposal (RFP) Process

Business Practice

The purpose of this business practice is to describe the process and timeline for the creation and publication of a Request for Proposal (“RFP”) for a Competitive Upgrade as outlined in Attachment Y, Section III of the SPP Tariff. The RFP process is part of the larger Transmission Owner Selection Process (“TOSP”), which is the process of determining the Transmission Owner for Competitive Upgrades according to Section III.2 of Attachment Y of the Tariff. RFPs will be issued for each Competitive Upgrade approved for construction or endorsed by the SPP Board of Directors (BOD) for which SPP staff will issue a Notification to Construct (“NTC”) after January 1, 2015.

Competitive Upgrades are those upgrades as defined in Section I.1 of Attachment Y of the Tariff or an upgrade for which SPP must select a replacement Transmission Owner pursuant to Section IV.3 of Attachment Y of the Tariff.

RFP Process and Timeline

The process and timeline for RFPs is specified in Section III.2.d of Attachment Y of the Tariff. SPP staff will issue the RFP by or before the later of (1) seven (7) calendar days after approval of the Competitive Upgrade by the SPP BOD; or (2) 18 months prior to the date that anticipated financial expenditure is needed for the Competitive Upgrade. Anticipated financial expenditure date will be developed by Staff during the portfolio development stage and will be communicated in the final ITP report that is submitted to the SPP BOD for approval.

RFPs are only issued to Qualified RFP Participants (QRPs) through email distribution. SPP Staff will also make a list publicly available of all projects that are expected to be competitively bid. QRPs have 180 days (the “RFP Response Window”), unless the SPP Staff uses its discretion to reduce the response time window to no less than 90 days based on collaboration with stakeholders to submit their RFP proposal via the Request Management System (RMS). The RFP Response Window duration will be stated in the RFP. The estimate provided in an RFP response establishes the RFP Response Estimate, as defined in Business Practice 7060. Refer to Business Practice 7060 for more detail on SPP’s required structure and accuracy of cost estimates. The information required for an RFP proposal is included in the RFP Response Form found in Exhibit A. This form must be used when submitting the RFP proposal to SPP staff.

RFP Receipt and Response

Upon receipt of an RFP proposal and deposit, SPP staff shall have at least 10 business days to review the proposal for completeness, and notify the RFP respondent if its proposal is incomplete via RMS. For the purpose of this process “complete” shall mean all required information is provided. The RFP respondent may submit information in order to complete the proposal if such submittal is made within the RFP Response Window. Any RFP respondent that fails to submit a complete proposal within the RFP Response Window will be deemed to have waived its right to respond to the RFP. Should any submittal be deemed incomplete and it is not made complete prior to the end of the RFP Response Window any deposit received with that submittal will be refunded in accordance with Section III of the Tariff.

RFP TOSP Deposit and Cost Calculation
The TOSP deposit and cost calculation are outlined in Section III.2.e of Attachment Y of the Tariff. The TOSP Deposit is required with each RFP proposal, and is required to be paid by electronic funds transfer or by check. SPP will hold each RFP respondent's TOSP deposit in a segregated interest-bearing account in the name of the RFP respondent tied to the RFP respondent's Internal Revenue Service Tax Identification Number. At the completion of the TOSP, SPP will determine the actual costs to administer the TOSP (detailed in Section III.2.e.ii) and each RFP respondent will make additional payments or obtain refunds based on the reconciliation of the TOSP deposits collected and actual TOSP costs. The cost will be allocated to each RFP proposal on a pro-rata share basis, calculated by taking the total TOSP costs for each Competitive Upgrade and dividing by the number of RFP proposals submitted for that Competitive Upgrade. Any unused deposit amounts will be refunded with interest earned on such deposits.

**Notification of DPPs in Approved Final ITP Portfolio**
The SPP Board of Directors will approve the final ITP portfolio of projects and SPP Staff will update the final ITP report to place an asterisk ("*") next to any projects that have associated DPP(s).

**RFP Notification to Construct (NTC)**
The final selected RFP will be issued an NTC pursuant to Section V of Attachment Y of the Tariff.

For more information, send any questions via SPP RMS or contact SPP Customer Relations.
8000 RESERVED
9000 Administrative
9101 MAPP Service Combined with SPP Service

THIS BUSINESS PRACTICE WAS SUSPENDED MAY 25, 2004

Business Practice

All MAPP control areas are valid sources or sinks for SPP transactions with a MAPP border control area shown as the POR or POD.

An SPP reservation involving a MAPP source or sink must show the true MAPP source or sink.

The source/sink on an SPP tag involving MAPP must match the source/sink on the reservation.

The source/sink for SPP transactions involving MAPP cannot be changed except as a redirect.\(^{102}\)

SPP requires a tag to have non-SPP service across the first tier to SPP, in addition to the SPP portion beginning with an SPP Member.

Explanation / Rationale

Seven MAPP Border control areas are SPP First Tier control areas. Schedules involving these and other control areas first tier to SPP must have transmission service, other than SPP service, to complete the transaction.

June 5, 2000 MAPP modified its Policies and Procedures for Transmission Operations to require MAPP Schedule F service for all Control Areas that are MAPP Regional Tariff Committee, or RTC, members.

Some of these MAPP RTC Members are first tier to SPP (LES, MEC, MPS, NPPD, OPPD, and SECI). SPP looks for non-SPP service across the first tier to SPP, in addition to the SPP portion beginning with an SPP member.

Example

An OPPD to EES includes service to SPP as OPPD / WR, then SPP service as OPPD / EES (POR / POD) scheduled by WR. The OPPD / WR should be MAPP Schedule F, but SPP will only check that there is a service to SPP, not whether or not it is Schedule F. MAPP Security Coordinators administer MAPP Schedule F. If the tag only had service for OPPD / EES, however, SPP would deny the tag for not providing service to SPP (across the first tier control area).

Both OPPD and EES are border control areas that are valid POR / PODs (valid 1st Tier and Border POR/PODs are AECI, AMRN, EES, LES, MEC, NPPD, OPPD, and the DC Ties – ERCOTE, ERCOTN, Blackwater and Eddy). MAPP Schedule F for RTC members is required, but SPP does not monitor for MAPP Schedule F service. SPP does require that a tag has non-SPP service across the first tier to SPP, in addition to the SPP portion beginning with an SPP Member.

\(^{102}\) SPP Business Practice 3050 – see Redirect on a Non-firm Basis
## SPP OATT Business Practices

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### Revision History

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### Approval

**Primary Owner:** Jimmy Womack

*Signature date supercedes prior approval dates*