Southwest Power Pool, Inc. ("SPP") hereby provides a report on the status of its study regarding the possible integration of Energy Texas, Inc. ("ETI") into the SPP Power Region for the purposes of implementing retail open access in the area.

A. Status of Study Activities

After substantial coordination with ETI, SPP is conducting its final review of and integrating into its report key analyses in all four major study areas. The study areas include:

1. Reliability (identification of upgrades needed to reliably integrate ETI into the SPP region)
2. Market Power (analysis of ETI’s market power in the region if it becomes part of the SPP region)
3. Economic (comparison of the costs and benefits for studied upgrades)
4. Retail Open Access (identification of processes and costs necessary to support retail open access for ETI in the SPP region)

Because of the possibility of the Cottonwood Energy facility’s future interconnection with ERCOT, for the first three study tracks, SPP studied cases which included the Cottonwood Energy facility being both in and out of the ERCOT region. SPP performed two base case analyses so that it would have base cases with the Cottonwood Energy facility both in and out of the ERCOT region. SPP then included the same scenarios (in and out) in its change cases. In this
manner, SPP has been able to isolate the impacts of ETI joining SPP as separate and apart from the impacts of the Cottonwood Energy facility becoming part of ERCOT.

SPP has scheduled a final stakeholder meeting for November 11, as described in its earlier notice to the Commission, in order to present the final results of the studies described above. SPP expects to file its final report by November 15, 2008.

B. Materials

Materials related to the study activities, including presentations, meeting agendas and minutes from prior stakeholder meetings, are available, in reverse chronological order, at http://www.spp.org/section.asp?group=1208&pageID=27. The presentations available on this site contain detailed status information and results for each aspect of SPP's study activities. Materials for the November 11, 2008, stakeholder meeting should be posted to this web site by November 6, 2008.

C. SPP Representative Availability at Open Meeting

If the Commissioners would like to ask questions of SPP representatives regarding study its studies, SPP representatives are available to attend the October 23, 2008, Open Meeting, preferably in conjunction with ERCOT representatives.
Respectfully submitted,

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ATTORNEYS FOR SOUTHWEST POWER POOL, INC.

SCERTIFICATE OF SERVICE

I hereby certify that, on October 14, 2008, a copy of this document will be served on all parties of record in this proceeding in accordance with P.U.C. PROC. R.22.74.

[Signature]
Shari Heino