June 17, 2011

RE: Use of SPP RTO studies to maintain compliance with TOP-002a R11

To: Transmission Operators registered in the Southwest Power Pool Regional Entity

The SPP RE has reviewed the proposed agreement between the SPP, Inc. and those registered Transmission Operators [TOP] that wish to sign up for this service and has the following comments:

1. The technical specifications for the studies appear to meet the underlying requirements for next-day and current day studies required by TOPs under the current enforceable version of TOP-002a R11;

2. The SPP disclaimer that states ‘SPP MAKES NO WARRANTY THAT THE PERFORMANCE OF SYSTEM STUDIES OR POSTING OF SYSTEM STUDIES WILL BE UNINTERRUPTED....’ should put the TOPs on notice that each TOP should consider a back-up plan in case the SPP RTO stops producing these studies. The SPP RE will not require a back-up plan be formally developed before accepting any mitigation plans for this requirement; and

3. Alert the TOPs that the SPP RTO does not perform next-day studies ‘every day’ but states that next-day studies are performed every ‘business day’ with studies for ‘non-business days’ produced in advance on the last business day before each non-business day. The current version of this standard requires the TOP have for each day “a” study that can be applied to it, but it is not necessary to generate a “unique” study for each day. Therefore, it is acceptable for a Transmission Operator to use a particular study for more than one day. The SPP RE expects that each TOP that uses a next-day study that is generated prior to the next-day to validate and log, in some retrievable fashion that it reviewed and accepted the study as valid even though it was generated prior to the ‘next-day’.

TOP procedures that are submitted as part of mitigation plans for active violations of this standard and requirement must include the following steps at a minimum:
1. Review and/or download of next-day study results. Please note that the SPP RTO technical specs indicate that there are multiple steps to the next-day study process which results in multiple postings each day. If the TOP procedure calls for a review only, then the SPP RE requires the TOP procedure to include a process to record and log the review in a retrievable manner. The SPP RE will accept files of downloaded results as evidence of the required reviews.

2. Review and/or download of current day study results. The SPP RTO indicates that it will post, at least hourly, the results of its Real Time Contingency Analysis [RTCA]. The TOP procedures must include instructions to its operating personnel concerning the frequency of review of these studies. If the TOP procedure calls for a review only, then the SPP RE requires the TOP procedure to include a process to record and log the review in a retrievable manner. The SPP RE will accept files of downloaded results as evidence of the required reviews.

3. Procedures to be followed by the TOP’s operating personnel for requesting additional studies from the SPP RTO, and the basis for requesting such studies.

If there are any questions concerning this issue, please direct them to me using the contact information shown above.

[Signature]