

October 28, 2009

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: *Southwest Power Pool, Inc.*, Docket No. ER10-_____
Submission of Network Integration Transmission Service Agreement

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and section 35.13 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submits an executed Service Agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and Kansas Electric Power Cooperative, Inc. ("KEPCO") as Network Customer ("KEPCO Service Agreement"), as well as an executed Network Operating Agreement between SPP as Transmission Provider, KEPCO as Network Customer, and Empire District Electric Company ("Empire") as Host Transmission Owner ("KEPCO NOA") (the KEPCO Service Agreement and the KEPCO NOA are collectively "the KEPCO Agreements," and KEPCO, Empire, and SPP are collectively referred to as "the Parties"). The KEPCO Agreements submitted in this filing modify the currently effective Service Agreement and NOA accepted for filing by the Commission on June 13, 2008, in Docket No. ER08-904-000.¹ SPP is submitting this filing because the KEPCO Agreements include terms and conditions that do not conform to the standard forms of Service Agreement and NOA that are in SPP's Open Access Transmission Tariff ("SPP Tariff").²

¹ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-904-000 (June 13, 2008) ("June Letter Order").

² See SPP Tariff at Attachment F (the "*pro forma* Service Agreement") and Attachment G (the "*pro forma* NOA").

Description and Justification of Revisions to the KEPCO Agreements

The KEPCO Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the agreements accepted by the June Letter Order, except for the revisions described below.³ These revisions have been made with the Parties' consent and are necessary to help facilitate KEPCO's request for transmission service. As noted above, the KEPCO Agreements are being filed with the Commission because they contain modifications that do not conform to the *pro forma* Service Agreement or the *pro forma* NOA; therefore, the KEPCO Agreements are not solely included in SPP's quarterly electronic filing of transmission service agreements pursuant to Order No. 2001.⁴ The non-conforming revisions to the KEPCO Agreements are discussed below.⁵

A. Non-Conforming Revisions to the KEPCO Service Agreement

The Parties added language to Sections 2.0, 3.0, and 5.0 of Attachment 1 of the KEPCO Service Agreement providing that KEPCO's load is electronically located on the Empire transmission system, but the load will be dynamically telemetered to the Westar Energy, Inc. ("Westar") control area. These revisions were made to specify that

³ Copies of the KEPCO Agreements are provided as Exhibit I. Redlined pages showing the changes between the KEPCO Agreements submitted herein and the agreements accepted in the June Letter Order are included as Exhibit II.

⁴ See *Revised Public Utility Filing Requirements*, Order No. 2001, 2001-2005 FERC Stats. & Regs., Regs. Preambles ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reconsideration and clarification denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *enforcing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *enforcing*, Order No. 2001-D, 102 FERC ¶ 61,334, *order on clarification*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), *order granting in part and denying in part request for clarification*, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), *order adopting EQR data dictionary*, Order No. 2001-G, 120 FERC ¶ 61,270, *order on reh'g and clarification*, Order No. 2001-H, 121 FERC ¶ 61,289 (2007), *order revising EQR data dictionary*, Order No. 2001-I, 125 FERC ¶ 61,103 (2008).

⁵ In addition to the non-conforming revisions, the Parties also added conforming language to Section 8.9 of Attachment 1 and Appendix 1 of the KEPCO Service Agreement. The additional language in Section 8.9 of Attachment 1 of the KEPCO Service Agreement indicates that the transmission service requested by KEPCO from certain designated resources depends on, and is contingent on, completion of the specified transmission owner reliability and construction pending upgrades.

KEPCO's delivery points are electrically located in the Empire control area, but KEPCO's load will be dynamically telemetered back to Westar's control area for scheduling purposes. The Commission has accepted similar revisions to Sections 2.0, 3.0, and 5.0 of Attachment 1 pertaining to dynamically telemetering load in other non-conforming service agreements submitted by SPP.⁶

B. Non-Conforming Revisions to the KEPCO NOA

The Parties revised Section 3.3 of the KEPCO NOA to reflect that, when multiple delivery points are provided to a specific Network Load, the delivery points will be listed in Appendix 3 of the KEPCO Service Agreement. This revision was made to make the KEPCO NOA consistent with the KEPCO Service Agreement, which provides a list of delivery points in Appendix 3.⁷ The Commission has accepted revisions similar to the revisions in Section 3.3 of the KEPCO NOA in other non-conforming service agreements submitted by SPP.⁸

Further, the Parties added language to the preamble of the KEPCO NOA indicating that SPP, KEPCO, and Empire will be referred to throughout the KEPCO NOA individually as "Party" and collectively as "Parties." This revision ensures consistency with the preamble of the KEPCO Service Agreement, and has been accepted by the Commission in other NOAs submitted by SPP.⁹ Finally, the Parties updated the language throughout the KEPCO NOA to conform the KEPCO NOA to the most recent version of the *pro forma* NOA in the SPP Tariff.¹⁰

⁶ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-355-000 and -001 (Feb. 11, 2009); See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-983-000 (July 11, 2008); See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-903-000 (May 30, 2008).

⁷ The Commission approved Appendix 3 of the KEPCO Service Agreement in the June Letter Order.

⁸ See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1070-000 (June 25, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-903-000 (May 30, 2008).

⁹ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-355-000 and -001 (Feb. 11, 2009). The KEPCO Agreements also have been revised to correct punctuation and to capitalize certain words throughout. The Commission has accepted similar revisions in previous Service Agreements and NOAs submitted by SPP. See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1070-000, *et al.* (June 25, 2009).

¹⁰ See, e.g., KEPCO NOA, §§ 6.2 and 8.2.

The additional language in the KEPCO Agreements clarifies how SPP will provide network service to KEPCO, and the language is necessitated by the unique circumstances of KEPCO's service request. As such, this filing is consistent with the public interest and warrants approval by the Commission. SPP is serving a copy of this filing on the representatives for KEPCO and Empire listed in the KEPCO Agreements.

Effective Date and Waiver

SPP requests an effective date of October 1, 2009 for the KEPCO Agreements. Pursuant to section 35.11 of the Commission's rules and regulations, 18 C.F.R. § 35.11, SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3. Waiver is appropriate because the KEPCO Agreement is being filed within 30 days of the commencement of service.¹¹

Additional Information

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:

(1) Documents Submitted with this Filing:

In addition to this transmittal letter, clean copies of the KEPCO Agreements are included herein as Exhibit I, with redlined pages illustrating the differences between the KEPCO Agreements and the agreements accepted by the Commission in the June Letter Order included as Exhibits II.

(2) Effective Date:

As discussed herein, SPP respectfully requests that the Commission accept the KEPCO Agreements with an effective date of October 1, 2009.

(3) Service:

SPP is serving a copy of this filing on the representatives for KEPCO and Empire listed in the KEPCO Agreements.

¹¹ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (the Commission will grant waiver of the 60-day prior notice requirement "if service agreements are filed within 30 days after service commences.").

(4) Basis of Rate:

All charges will be determined in accordance with SPP's Tariff.

B. Communications:

Copies of this filing have been served upon all parties to the KEPCO Agreements. Any correspondence regarding this matter should be directed to:

Heather Starnes, J.D.
Manager – Regulatory Policy
Southwest Power Pool, Inc.
415 North McKinley, #140 Plaza West
Little Rock, AR 72205
Telephone: (501) 614-3380
Fax: (501) 664-9553
hstarnes@spp.org

Wendy N. Reed
Matthew K. Segers
Tyler R. Brown
WRIGHT & TALISMAN, P.C.
1200 G Street, N.W., Suite 600
Washington, DC 20005-3802
Telephone: (202) 393-1200
Fax: (202) 393-1240
reed@wrightlaw.com
segers@wrightlaw.com
brown@wrightlaw.com

Conclusion

For all the foregoing reasons, SPP respectfully requests that the Commission accept the KEPCO Agreements with an effective date of October 1, 2009.

Respectfully submitted,



Wendy N. Reed
Matthew K. Segers
Tyler R. Brown

**Attorneys for Southwest Power
Pool, Inc.**

EXHIBIT I

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

This Network Integration Service Agreement ("Service Agreement") is entered into this 1st day of April 2008, by and between Kansas Electric Power Cooperative, Inc ("Network Customer", "KEPCO"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as a "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Federal Energy Regulatory Commission ("Commission"), as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the Southwest Power Pool and acts as agent for the Transmission Owners in providing service under the Tariff; and

WHEREAS, the Network Customer has represented that it is an electric utility eligible for service under the Tariff;

Whereas, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0 The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.

- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service Agreement with attached Specifications.
- 3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective through April 1, 2013. Thereafter, it will continue from year to year unless terminated by the Network Customer or the Transmission Provider by giving the other one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges, including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address

for notices or requests may be changed from time to time by notice by one Party or the other.

Southwest Power Pool:

Carl Monroe
Executive Vice President and Chief
Operating Officer
415 N. McKinley, 140 Plaza West
Little Rock, AR 72205

Network Customer:

Robert Bowser
Vice President of Technical Services
Kansas Electric Power Cooperative Inc.
600 SW Corporate View
Topeka, KS 66615

- 7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.
- 8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

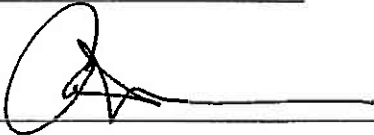
9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

NETWORK CUSTOMER

APPROVED
BY



Carl Monroe
Executive Vice President and Chief Operating
Officer

Robert Bowser

Vice President of Technical
Services
Kansas Electric Power
Cooperative, Inc.

Southwest Power Pool, Inc.

10/05/09

9/22/09

Date

Date

ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND KANSAS ELECTRIC POWER COOPERATIVE
SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Network Resources

The Network Resources are listed in Appendix 1.

2.0 Network Loads

The Network Load consists of the bundled native load or its equivalent for Network Customer load electrically located in the Empire District Electric Company Control Area. The load will be dynamically telemetered to the Westar Energy Control Area. Network Customer delivery points are as listed in Appendix 3.

The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point and at each generating facility. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

3.0 Affected Control Areas and Intervening Systems Providing Transmission Service

The affected Control Area is Empire District Electric Company. The load will be dynamically telemetered to the Westar Energy Control Area. The intervening systems providing transmission service are none

4.0 Electrical Location of Initial Sources

See Appendix 1.

5.0 Electrical Location of the Ultimate Loads

The loads of Network Customer identified in Section 2.0 hereof as the Network Load are electrically located within the Empire District Electric Company Control Area. The load will be dynamically telemetered to the Westar Energy Control Area.

6.0 Delivery Points

The delivery points are the interconnection points identified in Section 2.0 as the Network Load.

7.0 Receipt Points

The Points of Receipt are listed in Appendix 2.

8.0 Compensation

Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

8.1 Transmission Charge

Monthly Demand Charge per Section 34.1 of the Tariff.

8.2 System Impact and/or Facility Study Charge

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast

data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

8.3 Direct Assignment Facilities Charge

N/A

8.4 Ancillary Service Charges

8.4.1 The following Ancillary Services are required under this Service Agreement.

- a) Scheduling and Tariff Administration Service per Schedule 1A of the Tariff.
- b) Scheduling. System Control and Dispatch Service per Schedule 1 of the Empire District Electric Company's Open Access Transmission Tariff.
- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.
- d) Regulation and Frequency response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve - Spinning Reserve Service per Schedule 5 of the Tariff.
- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services will be self-supplied by the Network Customer in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1 and 2.

8.4.2 With its annual forecasts, the Network Customer shall indicate its source for Ancillary Services in accordance with the Tariff to be in effect for the upcoming calendar year. If the Network Customer fails to include this information with its annual

forecasts, Ancillary Services will be provided for and charged in accordance with the Tariff.

8.4.3 When the Network Customer elects to self provide ancillary services and is unable to provide its own ancillary services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

8.4.4 All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

8.5 Real Power Losses

The Network Customer shall replace losses in accordance with Attachment M of the Tariff.

8.6 Power Factor Correction Charge

N/A

8.7 Redispatch Charge

Redispatch charges shall be in accordance with Section 33.3 of the Tariff.

8.8 Wholesale Distribution Service Charge

Wholesale Distribution Service Charges are initially calculated to be \$1733.19 per month. A detail of the charges is included as Appendix 4. Cost support for the Distribution Service rate calculation is included as Appendix 5. The revised Service Agreement between KEPCO and Empire District Electric Company for Wholesale Distribution

Service Charges was filed at FERC as docket ER07-382 and accepted on February 16, 2007.

8.9 Network Upgrade Charges

The Network Customer has confirmed the following supplemental Network Resources requiring Network Upgrades

1. Westar Energy Resource, 6MW from POR- WR, Source-WR, POD-EDE, Sink-KEPCo.EDE, as more specifically identified in transmission service request 73315249. Contingent upon the completion of required upgrades as specified below, designation of this resource shall be effective on October 1, 2009 and shall remain effective through October 1, 2020.

The requested service depends on and is contingent on completion of the following Transmission Owner Reliability and Construction Pending Upgrades. These upgrades costs are not assignable to the Network Customer.

Reliability Upgrades

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
BISMARK JUNCTION SWITCHING STATION - FARMERS CONSUMER CO-OP 115KV CKT 1	Rebuild 2.9 mi 115 kV line Bismark to COOP	WERE	6/1/2010
CIRCLE - HUTCHINSON GAS TURBINE STATION 115KV CKT 1	Rebuild Circle - HEC GT 115 kV line.	WERE	6/1/2011
LAWRENCE HILL - MOCKINGBIRD HILL SWITCHING STATION 115KV CKT 1	Rebuild 5.49 miles	WERE	6/1/2010
PLATTE CITY - SMITHVILLE 161KV CKT 1	Replace wavetrapp between Platte City and Smithville.	MIPU	12/1/2010

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
South Harper 161 kV cut-in to Stilwell-Archie JCT 161 kV line	To tap Stilwell-Archie JCT 161 kV line into South Harper 161 kV sub and make it two new 161 kV sections: Stilwell-South Harper and Archie JCT- South Harper .	MIPU	6/1/2010
SILOAM CITY - SILOAM SPRINGS 161KV CKT 1	Replace switches & jumpers @ AEP Siloam Springs.	AEPW	6/1/2010
TECUMSEH ENERGY CENTER - TECUMSEH HILL 115KV CKT 1	Uprate 0.24 mile TEC- Tecumseh Hill 115 kV line to 100 degree operation.	WERE	6/1/2013
NEOSHO - NORTHEAST PARSONS 138KV CKT 1	Replace bus and Jumpers at NE Parsons 138 kV substation	WERE	6/1/2010
REDEL - STILWELL 161KV CKT 1	Reconductor line with 1192 ACSS and upgrade terminal equipment for 2000 amps	KACP	6/1/2010

8.10 Other Charges

N/A

9.0 Credit for Network Customer-Owned Transmission Facilities

None

10.0 Designation of Parties Subject to Reciprocal Service Obligation

None

11.0 Other Terms and Conditions

None

APPENDIX 1

Network Resources of
Kansas Electric Power Cooperative load in Empire District Electric
Company control area