

October 29, 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 Westar Energy ("Westar") as Network Customer ("Westar Service Agreement"), as well as an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and Westar as both Network Customer and Host Transmission Owner ("Westar NOA") (the Westar Service Agreement and the Westar NOA are collectively "the Westar Agreements" and SPP and Westar are collectively "the Parties"). SPP is submitting this filing because the Westar Agreements include terms and conditions that do not conform to the standard forms of service agreements that are in SPP's Open Access Transmission Tariff ("SPP Tariff").¹

Descriptions and Justification for the Westar Agreements

The Westar Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the *pro forma* Service Agreement and the *pro forma* NOA, except for the changes described below. These changes have been made with the Parties' consent and are necessary to help facilitate Westar's requests for transmission service.² The Westar Agreements are being filed with the Commission because they

¹ See SPP Tariff at Attachment F ("*pro forma* Service Agreement") and Attachment G ("*pro forma* NOA").

² A copy of the Westar Agreements is provided as Exhibit I, and redlined pages showing the changes between the Westar Agreements and the *pro forma* Service Agreement and *pro forma* NOA are included as Exhibit II.

contain modifications that do not conform to SPP's *pro forma* Service Agreement and *pro forma* NOA; therefore, the Westar Agreements are not solely included in SPP's quarterly electronic filing of transmission service agreements pursuant to Order No. 2001.³

Specifically, the Parties revised Section 2.0 of Attachment 1 to the Westar Service Agreement and Section 3.3 of the Westar NOA to reflect that Westar's Network Load consists of load for the City of Arma, Kansas, served at the Points of Delivery listed in Appendix 3. Appendix 3 is a new appendix added to specify the delivery points for the Westar Agreement. The Commission has accepted revisions similar to the revisions in Section 2.0 of Attachment 1 to the Westar Agreement and Section 3.3 of the Westar NOA, as well as the addition of an Appendix 3 detailing delivery points, in other non-conforming service agreements submitted by SPP.⁴ The Parties also revised Section 2.0 of Attachment 1 of the Westar Service Agreement to remove language from the *pro forma* Service Agreement pertaining to the Network Customer's delivery points being "as metered at its generation and transmission interconnection points."⁵ The Parties removed this language because Westar's network loads will be metered at Westar's specified delivery points, not the network facility generation or receipt points. The Commission has accepted the removal of this language in other non-conforming service agreements submitted by SPP.⁶

³ *Revised Public Utility Filing Requirements*, Order No. 2001, 2001-2005 FERC Stats. & Regs., Regs. Preambles ¶ 31,127 ("Order No. 2001"), *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 on 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, III FERC Stats. & Regs., Regs. Preambles ¶ 31,282 (2008).

⁴ *See, e.g., Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1665-000 (Oct. 22, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1070-000, *et al.* (June 25, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-903-000 (May 30, 2008) (accepting similar non-conforming modifications to SPP's *pro forma* Agreements).

⁵ *See pro forma* Service Agreement, at Attachment 1, § 2.0.

⁶ *See Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1665-000 (Oct. 22, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1558-000 (Sept. 30, 2009) (continued . . .)

In addition, Section 8.4.1 of Attachment 1 to the Westar Service Agreement contains additional language stating, "Transmission Customer may contract with third parties for self-supplied Ancillary Services as appropriate."⁷ This language is consistent with the ancillary service schedules of SPP's Tariff, which permit customers to self-supply certain ancillary services.⁸ The Commission has previously accepted SPP service agreements with similar language in Section 8.4.1 of Attachment 1.⁹

Further, Section 8.8 of Attachment 1 of the Westar Service Agreement contains language specifying that the cost support and monthly charges for Wholesale Distribution Service Charges are detailed in Appendix 4 to the Westar Service Agreement. The inclusion of the cost support and monthly charges for Wholesale Distribution Service Charges is consistent with Schedule 10 of the SPP Tariff which requires all rates and charges for Wholesale Distribution Charges to be filed with the Commission.¹⁰ The Commission previously has accepted similar language pertaining to Wholesale Distribution Service Charges, and the addition of an Appendix to a Service Agreement to detail Wholesale Distribution Service Charges.¹¹

Finally, the Preamble of the Westar NOA contains language indicating that SPP and Westar will be referred to throughout the Westar NOA individually as "Party" and collectively as "Parties." This revision ensures consistency with the preamble of the

(. . . continued)

2009); *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1070-000, *et al.* (June 25, 2009).

⁷ See Westar Service Agreement, at Attachment 1, § 8.4.1.

⁸ See SPP Tariff, at Schedules 3, 5-6.

⁹ See *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1665-000 (Oct. 22, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-903-000 (May 30, 2008).

¹⁰ See SPP Tariff at Schedule 10 ("All rates and charges for Wholesale Distribution Service shall be on file with the appropriate agency as required by law or regulation. To the extent that a Service Agreement containing provisions for Wholesale Distribution Service is required to be filed with the Commission, the Transmission Provider, in consultation with the appropriate Transmission Owner, shall provide along with the filing, adequate cost support to justify the customer-specific rates and charges being assessed thereunder.") (emphasis added).

¹¹ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-208-000 (Dec. 17, 2008).

Westar Service Agreement, and the same revisions have been accepted by the Commission in other SPP service agreements.¹²

The non-conforming provisions in the Westar Agreements clarify how SPP will provide network service to Westar, and are necessitated by the unique circumstances of Westar'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 Westar specified in the Westar Agreements.

Waiver and Effective Date

SPP requests an effective date of October 1, 2009 for the Westar 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 Westar Agreements are being filed no later than 30 days after the commencement of service.¹³

¹² See *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-355-000 and -001 (Feb. 11, 2009). The Westar 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. ER09-1665-000 (Oct. 22, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER09-1070-000, *et al.* (June 25, 2009).

¹³ 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.").

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, SPP is submitting clean copies of the Westar Agreements as Exhibit I, with redlined pages illustrating the differences between the Westar Agreements and the *pro forma* Service Agreement and the *pro forma* NOA as Exhibit II.

(2) Effective Date:

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

(3) Service:

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

(4) Basis of rate:

All charges will be determined in accordance with the SPP Tariff.

B. Communications

Copies of this filing have been served upon all Parties to the Westar 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

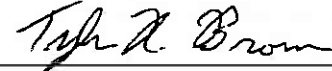
Wendy N. Reed
Matthew K. Segers
Tyler R. Brown
WRIGHT & TALISMAN, P.C.
1200 G Street, N.W., Suite 600
Washington, DC 20005-3802
Telephone: (202) 393-1200
Fax: (202) 393-1240
reed@wrightlaw.com
segers@wrightlaw.com
brown@wrightlaw.com

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Conclusion

For all of the foregoing reasons, SPP respectfully requests that the Commission accept the Westar 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 1 day of October, 2009, by and between Westar Energy ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "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 Eligible Customer 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 June, 1, 2020. 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:

John Olsen
Executive Director, Power Marketing
818 S. Kansas Avenue
Topeka, Kansas 66612

- 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

Name [Signature]

Name [Signature]

Title EVP + COO

Title Exec Dir. Becht Power Mktg

Date 10/7/09

Date 9/14/09

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE
AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND WESTAR ENERGY
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 of City of Arma, Kansas in the Westar Energy's Control Area 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 each generating facility. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters may be substituted for hourly integrated demand data. 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 Westar Energy's 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 City of Arma, Kansas identified in Section 2.0 hereof as the Network Load are electrically located within the Westar Energy's Control Area.

6.0 Delivery Points

The delivery points are the interconnection points of Westar Energy 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 and Part V 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

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 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. Transmission Customer may contract with third parties for self-supplied Ancillary Services as appropriate.

- 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

8.7 Redispatch Charge

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

8.8 Wholesale Distribution Service Charge

The Wholesale Distribution Service Charge cost support and monthly charge is detailed in Appendix 4.

8.9 Network Upgrade Charges

8.10 Other Charges

9.0 Credit for Network Customer-Owned Transmission Facilities

10.0 Designation of Parties Subject to Reciprocal Service Obligation

11.0 Other Terms and Conditions

APPENDIX 1

**Network Resources of
Westar Energy serving the City of Arma, Kansas**