

November 30, 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: (1) an executed service agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and City of Coffeyville, Kansas ("Coffeyville") as Network Customer ("Coffeyville Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and Coffeyville as both Network Customer and Host Transmission Owner ("Coffeyville NOA").¹ The Revised Coffeyville Agreements submitted in this filing modify the currently effective Service Agreement and NOA accepted for filing by the Commission on July 11, 2008, in Docket No. ER08-983-000.² SPP is submitting this filing because the Revised Coffeyville 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").³

¹ The Coffeyville Service Agreement and the Coffeyville NOA are collectively "the Revised Coffeyville Agreements," and SPP and Coffeyville are collectively "the Parties."

² See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-983-000 (July 11, 2008) ("July Letter Order"). The Service Agreement and NOA accepted by the Commission in the July Letter Order are referred to as the "Original Coffeyville Agreements."

³ See SPP Tariff at Attachment F ("*pro forma* Service Agreement") and Attachment G ("*pro forma* NOA").

I. Description and Justification of Revisions to the Revised Coffeyville Agreements

The Revised Coffeyville Agreements, which are attached to this filing in Exhibit I, are identical in all material respects to the Original Coffeyville Agreements except for the changes described herein.⁴ The changes are necessary to facilitate Coffeyville's request for transmission service.⁵ Specifically, the changes reflect updates to the agreements that are necessary due to the results of a SPP aggregate transmission service study⁶ and Coffeyville's decision to take service from a new designated network resource – the Grand River Dam Authority Purchase. The revisions are discussed in more detail below.

A. Section 8.6 of Attachment 1 of the Coffeyville Service Agreement

The Coffeyville Service Agreement contains additional language in Section 8.6 of Attachment 1 specifying that Coffeyville shall maintain unity power factor at the point of interconnection.⁷ If unity power factor is not maintained, Coffeyville is required to take all necessary actions to correct the condition. This language is necessary because the aggregate transmission study for Coffeyville's service request indicated that the unity power factor is required to maintain system voltage. In addition, this language is consistent with Section 3.1 of the *pro forma* NOA, which requires that the Network Customer operate its facilities "within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Host Transmission Owner and Transmission Provider."⁸

⁴ There have been no changes to the Coffeyville NOA submitted in this filing. The Coffeyville NOA is identical to the NOA submitted with the Original Coffeyville Agreements.

⁵ Copies of the Revised Coffeyville Agreements are provided in Exhibit I. Redlined pages showing the changes between the Revised Coffeyville Agreements and the Original Coffeyville Agreements are included in Exhibit II.

⁶ Specifically, the SPP aggregate transmission service study is SPP-2007-AG3.

⁷ See Coffeyville Service Agreement at Attachment 1, Section 8.6. ("The Network Customer shall maintain unity power factor at the point of interconnection. Otherwise the Network Customer shall take all necessary actions to correct the condition.").

⁸ See *pro forma* NOA at Section 3.1.

B. Section 8.7 of Attachment 1 of the Coffeyville Service Agreement

The Parties added to Section 8.7 of Attachment 1 of the Coffeyville Service Agreement language that does not conform to the *pro forma* Service Agreement, as well as conforming language. In Section 8.7 of Attachment 1 of the Coffeyville Service Agreement, conforming language is added to specify that, for one new designated network resource, Coffeyville will provide generation redispatch power in the specified amounts necessary to alleviate loading on facilities listed in a new Attachment A to the Coffeyville Service Agreement. Redispatch will be provided prior to completion of certain service and construction pending upgrades. Section 8.7 further specifies that Coffeyville agrees to provide at least one of the potential redispatch pairs listed in Table 6 of the final posting of the aggregate transmission study denoted in a specific table, also included in Section 8.7. Such redispatch will satisfy Coffeyville's redispatch obligation. The additional language is conforming because it is consistent with the SPP Tariff.⁹

Section 8.7 also contains non-conforming language providing that SPP will curtail Coffeyville's network service in the event Coffeyville fails to comply with a SPP request for interim redispatch.¹⁰ This language is consistent with the SPP Tariff and with Commission precedent. Section 30.5 of the SPP Tariff provides that a condition of the network customer taking service is that the network customer agrees "to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 [of the SPP Tariff] and in accordance with Attachment K."¹¹ Therefore, by taking network service, Coffeyville has agreed to redispatch network resources when called upon to do so by SPP. Further, Commission precedent allows a transmission provider to curtail service for a third-party resource if the third-party resource fails to perform its

⁹ See SPP Tariff at Section 30.5 (providing that a condition of the network customer taking service is the network customer agrees "to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 [of the SPP Tariff] and in accordance with Attachment K."); see also SPP Tariff at Attachment K, Section I.A ("To the extent the Transmission Provider can relieve any system constraint for Firm Point-To-Point or Network Integration Transmission Service by redispatching the generation resources of the Transmission Owner(s) or other willing generators, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 of this Tariff and this procedure.").

¹⁰ See Coffeyville Service Agreement at Attachment 1, Section 8.7. ("In the absence of implementation of interim redispatch as requested by the Transmission Provider for Network Customer transactions resulting in overloads on limiting facilities, the Transmission Provider shall curtail the customers schedule.").

¹¹ SPP Tariff at Section 30.5, *supra* note 9.

redispatch obligation.¹² Because the additional language is consistent with the SPP Tariff and Order No. 890, the Commission should accept the language in Section 8.7 of Attachment 1 of the Coffeyville Service Agreement.

C. Section 8.9 of Attachment 1 of the Coffeyville Service Agreement

Section 8.9 of Attachment 1 of the Coffeyville Service Agreement includes language specifying that the transmission service requested by Coffeyville from a specified designated network resource¹³ depends on and is contingent upon completion of certain upgrades. These added provisions are conforming and consistent with Section 29.3 of the SPP Tariff, which provides that network transmission service may not commence until installation of all necessary equipment has been completed.¹⁴ The additional language also details cost responsibility of the upgrades by indicating the upgrades that are fully base plan fundable and those upgrades the cost of which is not assigned to Coffeyville. The costs of the upgrades are assigned in accordance with Section III.A of Attachment J of the SPP Tariff, and the inclusion of these costs is consistent with Attachment J of the SPP Tariff. Further, the additional language that details the allocation of the costs for the various upgrades as fully base plan fundable is consistent with similar provisions previously accepted by the Commission for other SPP Service Agreements.¹⁵

¹² Specifically, the Commission in Order No. 890 stated that “transmission providers may curtail transmission customers if a third-party resource fails to perform its contractual redispatch obligation. This or any other remedy for non-performance must be specified in writing between the parties prior to commencement of the service.” *See Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 2006-2007 FERC Stats. & Regs., Regs. Preambles ¶ 31,241, at P 1007, *order on reh’g*, Order No. 890-A, 2006-2007 FERC Stats. & Regs., Regs. Preambles ¶ 31,261 (2007), *order on reh’g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh’g and clarification*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

¹³ This new designated network resource, Grand River Dam Authority Purchase, also is added to the list of network resources in Appendix 1 of the Coffeyville Service Agreement. A minor revision also is made to the receipt points listed in Appendix 2 of the Coffeyville Service Agreement.

¹⁴ *See* SPP Tariff at Section 29.3; *see also Sw. Power Pool, Inc.*, 118 FERC ¶ 61,148, at P 40 (2007) (describing how SPP Tariff Section 29.3 “states that network service ‘shall not commence until the [transmission provider has] completed installation of all equipment.’”).

¹⁵ *See Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-439-000 (Feb. 12, 2009) (errata issued Feb. 13, 2009) (“February 2009 Letter Order”); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER07-1201-001 (Dec. 18, 2007).

In addition, Section 8.9(B) of Attachment 1 of the Coffeyville Service Agreement specifies that, upon completion of the construction of the upgrades discussed above, the funding of the costs of the upgrades will be reconciled and trued-up against actual construction costs and any additional funding or refunds shall be made between SPP and Coffeyville. Finally, Section 8.9(C) of Attachment 1 of the Coffeyville Service Agreement provides that Coffeyville will be responsible for paying all charges specified as its obligation for the specified term for each assigned upgrade. The Commission previously has accepted similar language in Service Agreements submitted by SPP.¹⁶

The modifications, including the non-conforming provisions, in the Coffeyville Service Agreement clarify how SPP will provide network service to Coffeyville,¹⁷ and are necessary because of Coffeyville's service request. As such, this filing is consistent with the public interest and warrants acceptance by the Commission. SPP is serving a copy of this filing on the representatives for Coffeyville listed in the Revised Coffeyville Agreements.

Effective Date and Waiver

SPP requests an effective date of November 1, 2009 for the Revised Coffeyville 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 Revised Coffeyville Agreements are being filed no later than 30 days after the commencement of service.¹⁸

¹⁶ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1380-000 (Aug. 17, 2009) (accepting NITS with identical provisions); see also *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-790-000 (Apr. 14, 2009) (accepting NITS with almost identical provisions).

¹⁷ The Coffeyville Service Agreement also contains minor revisions throughout updating the Coffeyville Service Agreement to the most current version of the *pro forma* Service Agreement. See, e.g., Coffeyville Service Agreement at Attachment 1, Section 8.3 (removing certain language that is no longer part of the *pro forma* Service Agreement).

¹⁸ 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, clean copies of the Revised Coffeyville Agreements are provided in Exhibit I, and redlined pages showing the changes between the Revised Coffeyville Agreements submitted in this filing and the Original Coffeyville Agreements are included in Exhibit II.

(2) Effective Date:

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

(3) Service:

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

(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 Revised Coffeyville Agreements. Any correspondence regarding this matter should be directed to:

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Manager – Regulatory Policy
Southwest Power Pool, Inc.
415 North McKinley, #140 Plaza West
Little Rock, AR 72205
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Conclusion

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

Respectfully submitted,



Wendy N. Reed
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 June, 2008, by and between the City of Coffeyville, Kansas ("Network Customer"), 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 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.

Issued by: Heather H. Starnes, Manager, Regulatory Policy Effective: November 1, 2009

Issued: November 30, 2009

- 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 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 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, 2042. 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 A. Monroe
Executive Vice President and Chief Operating Officer
415 N. McKinley, 140 Plaza West
Little Rock, AR 72205

Network Customer:

City of Coffeyville, Kansas
Bernard A. Cevera
Electric Department Director
P.O. Box 1629
Coffeyville, KS 67337

- 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 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
TLC
BY

Name [Signature]

Name [Signature]

Title EVP & COO

Title Mayor

Date 11/12/09

Date 11/10/09

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION
SERVICE AGREEMENT BETWEEN SOUTHWEST POWER POOL AND CITY
OF COFFEYVILLE, KANSAS
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 delivery point of the City of Coffeyville, Kansas physically located on American Electric Power's transmission system as listed in Appendix 3. The Network Customer's load is dynamically telemetered to and included in the Grand River Dam Authority's control area.

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 Grand River Dam Authority. The Network Customer's load is dynamically telemetered to and included in the Grand River Dam Authority's control area but physically on the American Electric Power transmission system.

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 the City of Coffeyville, Kansas identified in Section 2.0 hereof as the Network Load are electrically located within the American Electric Power Control Area. The load is dynamically telemetered to and included in the Grand River Dam Authority Control Area.

6.0 Delivery Points

The delivery points are the interconnection points of City of Coffeyville, Kansas 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.

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

The Network Customer shall maintain unity power factor at the point of interconnection. Otherwise the Network Customer shall take all necessary actions to correct the condition.

8.7 Redispatch Charge

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

For transmission request and network resource (denoted in table below) , provide generation redispatch power in the specified amounts necessary to alleviate loading on the facilities listed in Attachment A prior to completion of Service and Construction Pending upgrades. The Network Customer agrees to provide at least one of the potential redispatch pairs listed in Table 6 of the final posting of study (denoted in table below) , and the Transmission Provider agrees that such redispatch will satisfy the redispatch obligation.

Transmission Request	Network Resource	Aggregate Study
73522030	GRDA Purchase	2007-AG3

In the absence of implementation of interim redispatch as requested by the Transmission Provider for Network Customer transactions resulting in overloads on limiting facilities, the Transmission Provider shall curtail the customers schedule.

Such redispatch obligations shall be arranged in accordance with Attachment K and shall occur in advance of curtailment of other firm reservations impacting these constraints. Network Customer shall bear the cost of such redispatch.

This interim network integration transmission service shall remain in place until the network upgrades are completed and the ATC required for this service is available.

8.8 Wholesale Distribution Service Charge

8.9 Network Upgrade Charges

A. The Network Customer has confirmed the following supplemental Network Resources requiring Network Upgrades:

1. Grand River Dam Authority Purchase, 197MW from POR – GRDA, Source – GRDA to POD – CSWS, Sink Coffeyville, as more specifically identified in transmission request 73522030.. Contingent upon the completion of required upgrades as specified below, designation of this network resource shall be effective on November 1, 2009 and remain effective through November 1, 2043.

The requested service depends on and is contingent on completion of the following aggregate study SPP-2007-AG3 Service Upgrades by the required date as listed below.. The costs of these upgrades are allocated to the Network Customer but are fully base plan fundable in accordance with Section III.A. Attachment J of the Tariff.

Service Upgrades required for City of Coffeyville

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
COFFEYVILLE FARMLAND - SOUTH COFFEYVILLE CITY 138KV CKT 1 AEPW	Rebuild 2.20 miles of 795 ACSR	AEPW	6/1/2012
COFFEYVILLE TAP - SOUTH COFFEYVILLE CITY 138KV CKT 1	Rebuild 6 miles of 556 ACSR. Replace 138 kV line switch at S. Coffeyville Tap.	AEPW	6/1/2011

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
DEARING 138KV Capacitor	Dearing 138 kV 20 MVAR Capacitor Addition	WERE	6/1/2012

The requested service depends on and is contingent on completion of the following City of Coffeyville owned transmission facility by the required date as listed below.

City of Coffeyville Owned facility upgrade required

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
COFFEYVILLE FARMLAND - SOUTH COFFEYVILLE CITY 138KV CKT 1 CMLP	Rebuild 4.5 miles of 795 ACSR. Rebuild 0.8 miles of 1272 ACSR. Replace wave traps, wave trap jumpers, reset CT ratios, and revise relay settings	CMLP	6/1/2012

The requested service depends on and is contingent on completion of the following Construction Pending upgrades from previous aggregate transmission service studies. These upgrades costs are not assignable to the Network Customer.

Construction Pending Upgrades required for Coffeyville

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
BARTLESVILLE SOUTHEAST - NORTH BARTLESVILLE 138KV CKT 1	Rebuild 8.37 miles of 795 ACSR & reset relays @ BSE	AEPW	1/1/2010

- B. Upon completion of construction of the assigned upgrades, funding of their costs shall be reconciled and trued-up against actual construction costs and requisite, additional funding or refund of excess funding shall be made between the Transmission Provider and the Network Customer.

- C. Notwithstanding the term provisions of Section 4.0 of this Service Agreement, Customer shall be responsible for paying all charges specified as its obligation in this Section 8.9 of this Attachment 1, for the term specified herein for each assigned upgrade

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