

December 3, 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. ER10-195-_____

Dear Secretary Bose:

On November 2, 2009, 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 ("Commission") regulations, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submitted the following: (1) an executed Service Agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and American Electric Power Service Corporation ("AEP") as Agent for Public Service Company of Oklahoma ("PSO") and Southwestern Electric Power Company ("SWEPCO"), as the Network Customer; and (2) an unexecuted Network Operating Agreement ("NOA") between SPP as Transmission Provider, AEP as Agent for PSO and SWEPCO as the Network Customer, and AEP as agent for PSO, SWEPCO, and AEP Texas North Company as the Host Transmission Owner.¹ As stated in the transmittal letter submitted with the November 2 Filing, SPP submitted the NOA to the Commission on an unexecuted basis because time constraints prevented the Parties from executing the NOA prior to the deadline for filing.²

Subsequent to the November 2 Filing, the Parties executed the NOA. Therefore, SPP is submitting herein the executed Service Agreement and NOA, designated as

¹ The Service Agreement and NOA are collectively the "November 2 Agreements," SPP and the other parties to the November 2 Agreements are collectively "the Parties," and the November 2, 2009 filing is hereinafter the "November 2 Filing."

² In order to obtain an October 1, 2009 effective date for the November 2 Agreements, SPP was required to file the with the Commission by November 2, 2009. *See Prior Notice 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.").

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Substitute Tenth Revised Service Agreement No. 1148, to replace the November 2 Agreements.³ The Service Agreement and NOA submitted herein are identical to the November 2 Agreements, except for the executed NOA signature page.⁴

SPP reiterates its request for waiver of the Commission's notice requirements to permit an effective date of October 1, 2009 for the executed Service Agreement and NOA submitted herein, which is the same requested effective date for the November 2 Agreements.⁵ SPP has served a copy of this filing on all parties to the November 2 Agreements, as well as all parties specified in the Commission's eService list for the above-referenced docket.

For all the foregoing reasons, SPP respectfully requests that the Commission accept for filing the Service Agreement and NOA submitted herein 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.**

K:\SPP\1001-1043-258 - executed NOA filing.doc

³ A clean copy of the executed Service Agreement and the executed NOA are attached to this letter as Exhibit I.

⁴ The November 2 Agreements contained language that did not conform to the standard forms of service agreements that are in SPP's Open Access Transmission Tariff ("SPP Tariff"). See SPP Tariff at Attachment F and Attachment G. For the reasons stated in the November 2 Filing, the non-conforming language is consistent with the public interest and warrants acceptance by the Commission.

⁵ Throughout the transmittal letter for the November 2 Filing SPP requested an October 1, 2009 effective date. However, the Service Agreement in the November 2 Filing was improperly designated with an effective date of October 30, 2009. The Service Agreement and NOA submitted herein are properly designated Substitute Tenth Revised Service Agreement No. 1148, with the effective date of October 1, 2009.

EXHIBIT I

SERVICE AGREEMENT FOR NETWORK INTEGRATION
TRANSMISSION SERVICE BETWEEN SOUTHWEST POWER POOL AND
AMERICAN ELECTRIC POWER COMPANY

This Network Integration Service Agreement ("Service Agreement") is entered into this 1st Day of June, 2008, by and between American Electric Power Service Corporation as Agent for Public Service Company of Oklahoma and Southwestern Electric Power Company, ("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.
- 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 September 1st, 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: Robert W. Bradish
Vice President Market Operations
155 West Nationwide Boulevard Suite 500
Columbus, OH 43215


- 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.

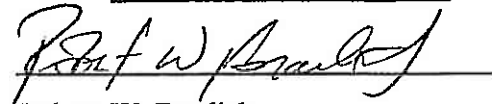
APPROVED
IK
BY

TRANSMISSION PROVIDER



Carl Monroe
Executive Vice President and
Chief Operating Officer
Southwest Power Pool, Inc.

NETWORK CUSTOMER



Robert W. Bradish
Vice President Market Operations
American Electric Power Service
Corp.

10/28/09

Date

10/23/09

Date

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION
SERVICE AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND AMERICAN ELECTRIC POWER
COMPANY
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 in American Electric Power Control Area as listed in Appendix 3. Network Customer delivery points are as metered at its generation and transmission interconnection points.

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. 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 American Electric Power. For deliveries to Minden, Ringgold, and Castor the intervening system providing transmission service is Entergy Corporation. Minden, Ringgold, and Castor are physically on Entergy Corporation's transmission system and are dynamically telemetered into the American Electric Power Control Area. All other Network Load is on the American Electric Power Transmission System and within the American Electric Power Control Area.

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 within the American Electric Power Control Area. The Network Customers load for delivery points physically on Entergy Corporation's transmission system are dynamically telemetered into the American Electric Power Control Area.

6.0 Delivery Points

The delivery points are the interconnection points of American Electric Power 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 34.1a 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

N/A

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 Reliability and Construction Pending upgrades. The Network Customer agrees to provide at least one of the potential AEP 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
1522335	Harry D. Mattison Power Plant	2006-AG3
73315204	Blue Canyon Wind	2007-AG2
73315214	Oneta Energy Center	2007-AG2
1352732	Oneta Energy Center	2007-AG3
73468897	Harrison County Power Plant	2007-AG3
73482335	J. Lamar Stall Power Plant	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

N/A

8.9 Network Upgrade Charges

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

1. Eastman Cogeneration 200 MW from POR – CSWS, Source - Eastman facility to POD – CSWS, Sink – CSWS, as more specifically identified in original transmission service request 1254618. Contingent upon the completion of required upgrades as specified below, designation of this resource shall be effective on April 1, 2007 and shall remain effective through April 1, 2010.

The requested service depends on and is contingent on completion of the following aggregate study SPP-2005-AG1 allocated network upgrades. The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are completed by the required dates. 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.

- a) Network upgrades on the Northwest Henderson- Oak Hill #1 138kV Ckt 1 facility by American Electric Power required by June 1, 2007. This upgrade consists of replacing the wave trap and resetting CT's at Northwest Henderson Substation.

The requested service depends on and is contingent on completion of the following Transmission Owner reliability upgrades resulting from the 2006 Expansion Plan. The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are completed by the required dates. These upgrades costs are not assignable to the Network Customer.

- a) Transmission Owner reliability upgrades by American Electric Power on the Knox Lee- Oak Hill #2 138kV facility required by June 1, 2007, and completion of Transmission Owner reliability upgrades by American Electric Power on the Alumax Tap – Northwest Texarkana 138kV facility required by June 1, 2008.

2. Weatherford Wind Energy Center, 41 MW from POR – CSWS, Source - Weatherford to POD – CSWS, Sink – CSWS, as more specifically identified in transmission service request 1162642. Contingent upon the completion of required upgrades as specified below, designation of this resource shall be effective on September, 1, 2006 and remain effective through September 1, 2016.

The requested service depends on and is contingent on completion of the following aggregate study SPP-2005-AG1 allocated network upgrades. The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are completed by the required dates. 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.

- a) For request 1162642, network upgrade on the Clinton City-Foss Tap 69kV Ckt 1 facility is required by June 1, 2010. This upgrade consists of replacing the wave trap at Clinton City Substation.

3. Southwestern Power Station Unit 4, 168 MW from POR – CSWS, Source – Southwestern Station 4 to POD – CSWS, Sink CSWS, as more specifically identified in transmission request 1170358. Contingent upon the completion of required upgrades as specified below, designation of this resource shall be effective on July 1, 2008 and shall remain effective through July 1, 2013.

The requested service depends on and is contingent on completion of the following aggregate study SPP-2006-AG1 assigned network upgrades. The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are completed by the required dates. The costs of these upgrades are assigned to the Network Customer but are fully base plan fundable in accordance with Section III.A. Attachment J of the Tariff.

- a) Network upgrades on the Alumax Tap-Bann 138kV Ckt. 1 facility by American Electric Power required by June 1, 2008. This upgrade consists of replacing six (6) 138 kV switches, five at Bann & one at Alumax Tap. Rebuild 0.67 miles of 1024 ACAR with 2156 ACSR. Replace wave trap & jumpers @ Bann. Replace breaker 3300 @ Bann.
- b) Network upgrades on the Bann-Northwest Texarkana-Bann T 138kV Ckt. 1 facility by American Electric Power required by June 1, 2012. This upgrade consists of resetting relays.
- c) Network upgrades on the Anadarko 138/69kV Transformer Ckt. 1 by Western Farmers Electric Cooperative required by June 1, 2011. This upgrade consists of installing a 2nd 112 MVA auto transformer in parallel with the existing unit.

The requested service depends on and is contingent on completion of the following Transmission Owner reliability upgrades resulting from the 2006 Expansion Plan. The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are

completed by the required dates. These upgrades costs are not assignable to the Network Customer.

- a) Transmission Owner reliability upgrades by American Electric Power on the Alumax Tap – Northwest Texarkana 138kV facility required by June 1, 2008, and completion of upgrades on the Linwood-McWillie Street 138kV facility required by June 1, 2008.
4. Sleeping Bear Wind Project, 80 MW from POR – WFEC, Source – WFEC to POD – CSWS, Sink CSWS, as more specifically identified in transmission request 1194917. Contingent upon the completion of required upgrades as specified below, designation of this resource shall be effective on June 1, 2008 and remain effective through June 1, 2028.

The requested service depends on and is contingent on completion of the following aggregate study SPP-2006-AG1 assigned network upgrades: The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are completed by the required dates.

- a) AEP to pay estimated revenue requirements of \$2297.49 over the 240 month term of this service totaling \$551,398 for AEP Network Upgrades on the Alumax Tap-Bann 138kV Ckt. 1 facility required by June 1, 2008. This upgrade consists of replacing six (6) 138 kV switches, five at Bann & one at Alumax Tap. Rebuild 0.67 miles of 1024 ACAR with 2156 ACSR. Replace wave trap & jumpers @ Bann. Replace breaker 3300 @ Bann. The cost of this upgrade is partially

base plan fundable in accordance with Section III.A. Attachment J of the Tariff.

- b) AEP to pay estimated revenue requirements of \$10,161.84 over the 240 month term of this service totaling \$2,438,842 for Western Farmers Electric Cooperative Network Upgrades on the Ft. Supply 138/69kV Transformer required by June 1, 2008. This upgrade consists of installing a second transformer at Ft. Supply Substation. The cost of this upgrade is partially base plan fundable in accordance with Section III.A. Attachment J of the Tariff.
- c) AEP to pay estimated revenue requirements of \$5,039.33 over the 240 month term of this service totaling \$1,209,439 for Oklahoma Gas and Electric Network Upgrades on the Knobhill 138/69kV Transformer required by June 1, 2008. This upgrade consists of replacing the bus tie with a 100MVA transformer. The cost of this upgrade is partially base plan fundable in accordance with Section III.A. Attachment J of the Tariff.
- d) Network upgrades on the 36th & Lewis-52nd & Delaware Tap 138kV Ckt. 1 facility by AEP required by June 1, 2016. This upgrade consists of resetting relays at 36th & Lewis Substation. The cost of this upgrade is fully base plan fundable in accordance with Section III.A. Attachment J of the Tariff.
- e) Network upgrades on the Bann-Northwest Texarkana-Bann T 138kV Ckt. 1 facility by AEP required by June 1, 2012. This upgrade consists of resetting relays. The cost of this

upgrade is fully base plan fundable in accordance with Section III.A. Attachment J of the Tariff.

The requested service depends on and is contingent on completion of the following Transmission Owner reliability network upgrades resulting from the 2006 Expansion Plan: The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are completed by the required dates. These upgrades costs are not assignable to the Network Customer.

- a) Transmission Owner reliability upgrades by American Electric Power on the Alumax Tap – Northwest Texarkana 138kV facility required by June 1, 2008, and completion of Transmission Owner upgrades by American Electric Power on the Linwood-McWillie Street 138kV facility required by June 1, 2008.

- 5. Union Power Station, 225MW from POR – EES, Source – UnionPP to POD – CSWS, Sink CSWS, as more specifically identified in transmission request 1235046. Contingent upon the completion of required upgrades as specified below, designation of this resource shall be effective on April 1, 2007 and remain effective through April 1, 2010.

The requested service depends on and is contingent on completion of the following Transmission Owner reliability upgrades resulting from the 2006 Expansion Plan. The Transmission Provider is responsible for issuing the necessary written authorization(s) to the constructing Transmission Owner(s) so that the upgrades are