

December 17, 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. ER10-338-\_\_\_\_  
Amendatory Filing

Dear Secretary Bose:

On December 1, 2009, Southwest Power Pool, Inc. ("SPP") submitted for filing (1) an executed service agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and Kansas Electric Power Cooperative ("KEPCO") as Network Customer ("KEPCO Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider, KEPCO as Network Customer and Mid-Kansas Electric Company ("MKEC") as Host Transmission Owner ("KEPCO NOA").<sup>1</sup> SPP submitted this filing because the KEPCO 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").<sup>2</sup>

In the December 1 Filing, SPP indicated that the KEPCO Agreements supersede the Service Agreement and NOA accepted for filing by the Commission on October 26,

<sup>1</sup> See *Sw. Power Pool, Inc.*, Submission of Network Integration Transmission Service Agreement, Docket No. ER10-338-000 (Dec. 1, 2009) ("December 1 Filing"). The KEPCO Service Agreement and KEPCO NOA are referred to collectively as "the KEPCO Agreements," and SPP, KEPCO and MKEC are collectively referred to as "the Parties."

<sup>2</sup> See SPP Tariff at Attachment F ("*pro forma* Service Agreement") and Attachment G ("*pro forma* NOA"), collectively "the *pro forma* Agreements."

2007 in Docket No. ER07-1320-000.<sup>3</sup> However, it has come to SPP's attention that the KEPCO Agreements submitted in the December 1 Filing are actually new agreements and do not supersede the Service Agreement and NOA accepted for filing by the Commission in Docket No. ER07-1320-000.<sup>4</sup> Consequently, the KEPCO Agreements filed in the December 1 Filing were incorrectly designated as superseding prior agreements. Therefore, SPP resubmits the KEPCO Agreements with the proper designation as required by Order No. 614.<sup>5</sup> Aside from the corrected designations, the KEPCO Agreements filed herein are identical to the agreements filed in the December 1 Filing, and contain the same non-conforming language, which is described in the December 1 Filing. Attached as Exhibit II to this transmittal letter are redlined pages showing the differences between the KEPCO Agreements and the *pro forma* Agreements.

In addition to the non-conforming revisions described in the December 1 Filing,<sup>6</sup> SPP notes additional non-conforming language in the KEPCO Service Agreement. Section 7.0 of the KEPCO Service Agreement provides that either KEPCO or SPP may, without the need for consent from the other, transfer or assign the KEPCO Service Agreement to any person succeeding to all or substantially all of the assets of the assigning party, provided that all required regulatory approvals, including approval of the Rural Utilities Service ("RUS") as to KEPCO, are obtained in connection with such transfer or assignment. In addition, KEPCO and SPP acknowledge and agree that KEPCO has assigned and pledged the KEPCO Service Agreement and all of its rights thereunder as security to the RUS. KEPCO and SPP further acknowledge and agree that the RUS will have the right, upon written notice to SPP, to assume all rights and obligations of KEPCO under the KEPCO Service Agreement, including the right to make any subsequent assignment of the KEPCO Service Agreement. This proposed revision clarifies that certain actions by KEPCO and SPP are subject to applicable regulatory oversight, including RUS oversight. Given that KEPCO continues to be a RUS borrower, it is reasonable to require RUS approval prior to a transfer or assignment of KEPCO's

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<sup>3</sup> See December 1 Filing at 1.

<sup>4</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER07-1320-000 (Oct. 26, 2007) ("October Letter Order").

<sup>5</sup> *Designation of Elec. Rate Schedule Sheets*, Order No. 614, 1996-2000 FERC Stats. & Regs., Regs. Preambles ¶ 31,096 (2000).

<sup>6</sup> See December 1 Filing at 2-5. As noted by SPP in the December 1 Filing, many of the non-conforming provisions in the KEPCO Agreements have previously been accepted by the Commission in other SPP service agreements.

assets. The Commission has accepted the incorporation of identical language in previous SPP Service Agreements.<sup>7</sup>

The non-conforming modifications to the KEPCO Agreements as described above and in the December 1 Filing clarify how SPP will provide network service to KEPCO, and accommodates 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 has served a copy of this filing on the representatives for KEPCO and MKEC listed in the KEPCO Agreements.

### **Effective Date and Waiver**

SPP requests a waiver of the Commission's notice requirements to permit an effective date of November 1, 2009 for the KEPCO Agreements submitted herein, which is the same requested effective date for the KPP Agreements submitted in the December 1 Filing. Good cause exists for such a waiver as the KEPCO Agreements filed herein are identical to the KEPCO Agreements filed in the December 1 Filing, which were submitted within 30 days of the commencement for service.<sup>8</sup>

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<sup>7</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-1199-000 (Aug. 18, 2008); *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER05-1172-000 and ER05-1173-000 (Aug. 11, 2005).

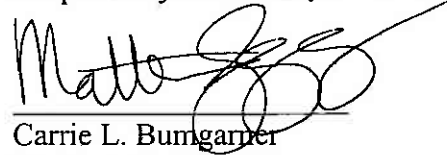
<sup>8</sup> See *Prior Notice and Filing Requirements Under Part H of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993); *Sw. Power Pool, Inc.*, Letter Order, Docket Nos. ER06-1349-000 and 001 (May 10, 2007) (accepting amended service agreements, and allowing them to become effective as of the dates requested in the original filing).

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**Conclusion**

For all the reasons stated above and in the December 1 Filing, SPP respectfully requests that the Commission accept the KEPCO Agreements filed herein with an effective date of November 1, 2009.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carrie L. Bumgarner", written over a horizontal line.

Carrie L. Bumgarner  
Matthew K. Segers  
Tyler R. Brown

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

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# EXHIBIT I

**ATTACHMENT F**

**Service Agreement For Network Integration Transmission Service**

This Network Integration Service Agreement ("Service Agreement") is entered into this 15<sup>th</sup> day of November, 2009, by and between Kansas Electric Power Cooperative, Inc ("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 November 1, 2041. 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 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 provided that all required regulatory approvals (if any), including approval of the Rural Utilities Service ("RUS") as to KEPCO, are obtained in connection with such transfer or assignment. However, the assignee shall be bound by the terms and conditions of this Service Agreement. The Parties acknowledge and agree that KEPCO has assigned and pledged as security this Service Agreement and all of its rights hereunder to RUS. The Parties further acknowledge and agree that RUS shall have the right upon written notice to the Transmission Provider to assume all obligations of KEPCO hereunder whereupon RUS shall succeed to all rights of KEPCO hereunder (including the right to make any subsequent assignment in accordance with this section).
- 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

Name 

Title EUPA COO

Date 11/23/09

NETWORK CUSTOMER

Name 

Title VP, Technical Services

Date November 20, 2009

APPROVED  
TK  
BY

**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 in the Sunflower Electric Control Area as listed in Appendix 3. The load will be dynamically telemetered to the Westar Energy 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 Sunflower Electric. 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 Sunflower Electric 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 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**

**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 planned Transmission Owner Base Plan 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
73514045	Westar 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. Westar Purchase, 68MW from POR – WR, Source –WR to POD – WPEK, Sink WR\_KEPCO\_WPEK, as more specifically identified in transmission request 73514045. 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, 2041.

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. These upgrades will be fully base plan funded in accordance with Section III.A. Attachment J of the Tariff.

**Service Upgrades required for KEPCo**

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
MEDICINE LODGE - PRATT 115KV CKT 1	Rebuild 26 mile line	MKEC	1/1/2010
MEDICINE LODGE 138/115KV TRANSFORMER CKT 1 Expedite	Upgrade transformer	MKEC	1/1/2010

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

**Reliability Upgrades required for KEPCo**

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
CIRCLE - HUTCHINSON GAS TURBINE STATION 115KV CKT 1	Rebuild Circle - HEC GT 115 kV line.	WERE	6/1/2010
EAST MANHATTAN - NW MANHATTAN 230/115KV	Tap the Concordia - East Manhattan 230kV line and add a new substation "NW Manhattan"; Add a 230kV/115kV transformer and tap the KSU - Wildcat 115kV line into NW Manhattan	WERE	6/1/2010
East Manhattan to McDowell 230 kV	The East Manhattan-McDowell 115 kV is built as a 230 kV line, but is operated at 115 kV. Substation work will have to be performed in order to convert this line.	WERE	6/1/2010
LAWRENCE HILL - MOCKINGBIRD HILL SWITCHING STATION 115KV CKT 1	Rebuild 5.49 mile line	WERE	6/1/2013

- 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**

**APPENDIX 1**

**Network Resources of**

**Kansas Electric Power Cooperative, Inc.  
Serving load in Sunflower Electric Control Area**



**Appendix 2**

**Receipt Points of**

**Kansas Electric Power Cooperative, Inc.  
Serving load in Sunflower Electric Control Area**

**APPENDIX 2 KANSAS ELECTRIC POWER COOPERATIVE RECEIPT  
POINTS**

Tieline / Plant Name	Ownership	Voltage (kV)
Westar Energy interconnection points on the Mid Kansas Electric Company Transmission System	MKEC/Westar	