

December 7, 2010

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *Southwest Power Pool, Inc., Docket No. _____*
(Amendment to Attachment AE of the Tariff)

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the Regulations of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 35, Southwest Power Pool, Inc. (“SPP”), as authorized by its Board of Directors, submits an amendment to Attachment AE of its Open Access Transmission Tariff (“Tariff”)¹ to permit owners of jointly owned resources registered in the SPP Energy Imbalance Service Market (“EIS Market”) to have separate meter agents. SPP requests an effective date of February 6, 2011 for the amendment.

I. DESCRIPTION OF SPP

SPP is a Commission-approved Regional Transmission Organization (“RTO”). It is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. SPP currently has 61 members in 9 states and serves more than 6 million

¹ Southwest Power Pool, Inc., FERC Electric Tariff, Sixth Revised Volume No. 1 (“SPP Tariff”).

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households in a 370,000 square-mile area. Its members include 14 investor-owned utilities, 9 municipal systems, 12 generation and transmission cooperatives, 4 state agencies, 7 independent power producers, 10 power marketers, and 5 independent transmission companies.

As an RTO, SPP provides open access transmission service over more than 50,000 miles of transmission lines in 8 states -- Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. Relevant to this filing, SPP also administers the EIS Market in the SPP Region.

II. DESCRIPTION AND JUSTIFICATION FOR TARIFF AMENDMENT

Attachment AE of the SPP Tariff establishes the market rules for the SPP EIS Market, which support a real-time, offer-based energy market that is used to establish imbalance energy prices. Market participants that wish to participate in the EIS Market must register their resources. Under the existing market rules, only one meter agent may be designated for a jointly owned resource registered in the EIS market. However, owners of jointly owned resources desire the ability to designate separate meter agents for their individual portions of a resource. As Attachment AE currently does not permit this practice, the SPP stakeholders determined to amend Attachment AE to enable owners of jointly owned resources to designate separate meter agents. The amendment also provides that, in the event that joint owners do not designate separate meter agents, the operating owner's meter agent will be the meter agent for the entire jointly owned unit. The amendment therefore permits joint owners to designate separate meter agents, while ensuring that, absent such designations, a default meter agent is specified that will provide meter data for the jointly owned unit.

Specifically, Section 1.2.2(e) of Attachment AE of the SPP Tariff is amended to provide that:

For jointly owned Resources, the operating owner's meter agent shall be the meter agent for that jointly owned Resource unless a jointly owned Resource owner designates a different meter agent for its share of the Resource.

This revision to Section 1.2.2(e) of Attachment AE was fully vetted in the SPP stakeholder process and has stakeholder support. The amendment and corresponding revisions to the Market Protocols were reviewed and approved unanimously by the Market Working Group and the Regional Tariff Working Group. The Markets and Operations Policy Committee subsequently approved them at its October 12-13, 2010 meeting and the SPP Board of Directors approved them on October 26, 2010.²

² The Commission previously has recognized that provisions approved through the stakeholder processes of RTOs and ISOs are due deference. *See Sw. Power Pool, Inc.*, 127 FERC ¶ 61,283, at P 33 (2009) (noting that the Commission “accord[s] an appropriate degree of deference to RTO stakeholder processes”); *New Eng. Power Pool*, 105 FERC ¶ 61,300, at P 34 (2003), *reh’g denied*, 109 FERC ¶ 61,252 (2004) (Commission approval of transmission cost allocation proposal based upon an extensive and thorough stakeholder process); *Policy Statement Regarding Regional Transmission Groups*, 1991-1996 FERC Stats. & Regs., Regs. Preambles ¶ 30,976, at 30,872 (1993) (the Commission will afford an appropriate degree of deference to the stakeholder approval process). The Commission’s deference to RTO stakeholder processes has been upheld by the courts. *See Pub. Serv. Comm’n of Wis. v. FERC*, 545 F.3d 1058, 1062-63 (D.C. Cir. 2008) (noting that the Commission often gives weight to RTO proposals that reflect the position of the majority of the RTO’s stakeholders) (*quoting Am. Elec. Power Serv. Corp. v. Midwest Indep. Transmission Sys. Operator, Inc.*, 122 FERC ¶ 61,083, at P 172, *reh’g denied*, 125 FERC ¶ 61,341 (2008)).

As the amendment to Attachment AE enables a desired option among owners of jointly owned units and is supported by the SPP stakeholders, the Commission should accept the amendment as just and reasonable.

III. ADDITIONAL INFORMATION

A. Information Required by the Commission's Regulations

1. Documents submitted with this filing:

In addition to this transmittal letter, SPP is submitting in electronic format clean and redlined versions of the proposed revisions.

2. Effective Date:

SPP requests that the Commission accept the proposed revisions to the SPP Tariff effective February 6, 2011, 61 days after filing.

3. Service:

SPP has served a copy of this filing on all of its members and customers and affected state commissions. A complete copy of this filing will be posted on the SPP web site, www.spp.org.

4. Requisite Agreements:

The proposed revision to the SPP Tariff does not require any agreements.

5. Estimate of transactions and revenues:

Not applicable.

6. Basis of rates:

The basis for the proposed Tariff revisions is explained above.

7. Comparison to rates for similar services:

Not applicable.

8. Specifically assignable facilities installed or modified:

There are none.

B. Communications

Correspondence and communications with respect to this filing should be sent to,
and SPP requests the Secretary to include on the official service list, the following:

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IV. CONCLUSION

For all of the foregoing reasons, SPP requests that the Commission accept the amendment to Section 1.2.2(e) of Attachment AE of the SPP Tariff filed herein as just and reasonable, with an effective date of February 6, 2011.

Respectfully submitted,

/s/ Carrie L. Bumgarner
Barry S. Spector
Carrie L. Bumgarner

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

1.2.2 Application and Asset Registration

- (a) Applications for a Market Participant to provide services in the EIS Market must be submitted to the Transmission Provider prior to the expected date of participation consistent with Section 12.3 of the Market Protocols. Completed applications must contain the required information specified under the application procedures specified in the Market Protocols.
- (b) As part of the application process, Market Participants must register all load, including applicable load associated with Grandfathered Agreements, and Resources with the Transmission Provider in accordance with the registration process specified in the Market Protocols.
- (c) Market Participants may elect to define a single Settlement Location that aggregates multiple Meter Settlement Locations associated with their load assets. Such a Settlement Location is used for settlements purposes only and the Meter Settlement Locations being aggregated must be within a single Settlement Area.
- (d) For registration of jointly owned Resources, Market Participant owners:
 - must register the entire ownership of a jointly owned Resource included within a Balancing Authority Area inside the SPP Region, including ownership that is not associated with a Market Participant, as either a single Resource or multiple Resources; and
 - may specify a Designated Agent for the purposes of submitting Offer Curves.
- (e) For registration of jointly owned Resources, Market Participant owners:
 - must register the entire ownership of a jointly owned Resource included within a Balancing Authority Area inside the SPP Region, including ownership that is not associated with a Market Participant, as either a single Resource or multiple Resources; and
 - may specify a Designated Agent for the purposes of submitting Offer Curves.

If the jointly owned Resource is registered as multiple Resources, the Transmission Provider shall treat each registered portion of the joint owned

Resource as an independent Resource for the purposes of EIS Market participation.

For jointly owned Resources, the operating owner's meter agent shall be the meter agent for that jointly owned Resource unless a jointly owned Resource owner designates a different meter agent for its share of the Resource.

- (f) Market Participants may subsequently modify their initially registered assets once their participation in the EIS Market has commenced in accordance with the asset registration procedures specified in the Market Protocols.
- (g) All loads and all Resources, excluding Behind The Meter Generation less than 10 MW, must register. Failure or refusal to register a Resource will result in the Transmission Provider filing an unexecuted version of the service agreement as specified in Attachment AH of this Tariff for that Resource with the Commission under the name of the generation interconnection customer under an interconnection agreement with the Transmission Provider or the applicable Transmission Owner. In the case of a Qualifying Facility exercising its rights under PURPA to deliver all of its net output to its host utility, such registration will not require the Qualifying Facility to participate in the EIS Market or subject the Qualifying Facility to any charges or payments related to the EIS Market.
- (h) A Market Participant wishing to offer an External Resource in the EIS Market will utilize an External Resource Pseudo-Tie in accordance with Attachment AO. In addition to the responsibilities outlined in Attachment AO, the Market Participant registering the External Resource will be responsible for registering and performing all responsibilities that are required of Resources in the EIS Market, except as provided in this Attachment AE.
- (i) A Market Participant wishing to offer controllable load as a resource in the EIS Market must include in its application and registration a certification that participation in the EIS Market by its controllable load resource is not precluded under the laws or regulations of the relevant electric retail regulatory authority. Controllable load resources must meet all application, registration and technical requirements applicable to other resources offering imbalance energy in the EIS Market. The Transmission Provider is not responsible for interpreting the laws or

regulations of a relevant electric retail regulatory authority and shall be required only to verify that the Market Participant has included such a certification in its application materials. The Transmission Provider is not liable or responsible for Market Participants participating in the EIS Market in violation of any law or regulation of a relevant electric retail regulatory authority including state-approved retail tariff(s).

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~~For~~ jointly owned Resources, the operating owner's meter agent shall be the meter agent for that jointly owned Resource unless a jointly owned Resource owner designates a different meter agent for its share of the Resource. ~~must have only one meter agent and each Market Participant must designate the same meter agent in the case where the jointly owned Resource is registered as multiple Resources. The default meter agent shall be the operating owners meter agent unless otherwise unanimously agreed to by the owners and submitted to the Transmission Provider.~~

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