

November 25, 2014

VIA ELECTRONIC FILING

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. ER14-2399-____
Amendment to Tariff Filing

Dear Secretary Bose:

Pursuant to Sections 35.17 and 385.215 of the Federal Energy Regulatory Commission's ("Commission") Rules and Regulations, 18 C.F.R. §§ 35.17 and 385.215, Southwest Power Pool, Inc. ("SPP") submits this amendment to the proposed revisions to the SPP Open Access Transmission Tariff ("Tariff")¹ submitted by SPP in Docket No. ER14-2399-000 on July 10, 2014,² and as amended on August 27, 2014³ (collectively, the "Filings"). Pursuant to the Commission's regulations, a public utility may file to amend a tariff that has not become effective and upon which no Commission or delegated order has yet been issued.⁴ Amendment in this proceeding is permitted because no Commission or delegated order has been issued on the Filings. SPP respectfully requests the Commission grant an effective date of September 8, 2014 for the amended filing proposed herein, consistent with the date requested in the Filings.

¹ Southwest Power Pool, Inc., FERC Electric Tariff, Sixth Revised Volume No. 1.

² Submission of Tariff Revisions to Attachment AE for the Integrated Marketplace of Southwest Power Pool, Inc., Docket No. ER14-2399-000 (July 10, 2014) ("July 10 Filing").

³ Amendment to Tariff Filing of Southwest Power Pool, Inc., Docket No. ER14-2399-001 (August 27, 2014).

⁴ 18 C.F.R. § 35.17(b).

I. BACKGROUND

SPP submitted the July 10 Filing, as amended, to revise Attachment AE of the Tariff as applicable to the Integrated Marketplace. The proposed revisions included enhancements to existing design features and further description and clarification of terms and conditions contained in Attachment AE.⁵ Consistent with SPP's customary stakeholder process, the Tariff revisions were developed and approved by multiple stakeholder groups with the intent to increase transparency of the Integrated Marketplace and improve the services SPP provides as the Tariff administrator.⁶ SPP requested an effective date of September 8, 2014 for the Tariff modifications.⁷

The Filings were not subject to protest or comment by any party.⁸ However, subsequent to the July 10 Filing, SPP engaged in informal discussions with Commission staff and SPP filed a motion requesting the Commission defer action on the Filings.⁹ Based on further review, SPP has determined that the current language contained in Section 7.1.1 of Attachment AE pertaining to verification of an Eligible Entity's¹⁰ transmission service reservations in order to obtain candidate Auction Revenue Rights ("ARRs") requires further clarification. Such clarifications include specifying the types of transmission service utilized to create Resource specific load settlement locations as an alternative method for awarding ARRs; and the addition of the process whereby this alternative form of transmission service verification will be effectuated. As explained in the Motion to Defer, SPP intended to develop any additional Tariff amendments through the stakeholder process consistent with Commission policy to support stakeholder input and participation in the RTO's decision-making process.¹¹

⁵ See July 10 Filing at 2.

⁶ *Id.*

⁷ See *id.* at 1, 9-10.

⁸ SPP Members Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company, and SPP customers City of Independence, Missouri, Kansas Power Pool, Missouri Joint Municipal Electric Utility Commission, and West Texas Municipal Power Agency (collectively the "TDU Intervenors"), all filed a doc-less motion to intervene.

⁹ Motion for Deferral of Commission Action of Southwest Power Pool, Inc., Docket No. ER14-2399-002 (September 19, 2014) ("Motion to Defer").

¹⁰ All capitalized terms shall have the definitions assigned by the Tariff.

¹¹ See Motion to Defer at 2-3.

II. DESCRIPTION OF AMENDMENT

This filing amends the Filings, specifically to provisions filed in the July 10 Filing. The amended language describes the process whereby non-Resource specific transmission service inside SPP shall be utilized to create Resource Specific transmission service reservations on SPP's Open Access Same-Time Information System ("OASIS"). These Resource specific reservations will be used exclusively for the Transmission Congestion Right ("TCR") Markets and the awarding of candidate ARRs. The changes proposed herein also include necessary changes to how transmission service is described within the context of this section. The proposed changes include the following:

- Section 7.1.1 of Attachment AE- Replace the term "Transmission Service" with "transmission service." The term Transmission Service under the Tariff is the definition of Point-to-Point Transmission Service. Under this section both Network Integration Transmission Service and Transmission Service is eligible for this treatment; therefore, it is appropriate to characterize both types of service with the generalized "transmission service."
- Section 7.1.1(a)(i) of Attachment AE- Clarification that the option to allow Eligible Entities to create Resource specific transmission service reservations to represent current transmission service (as filed in the July 10 Filing) is an alternative to current Tariff provisions governing the utilization of transmissions service reservations to determine candidate ARRs.¹²
- (New) Section 7.1.1.1 of Attachment AE- The addition of language to describe the process an Eligible Entity must satisfy to create Resource specific transmission service reservations. Under the language filed in the July 10 Filing, SPP's Market Protocols contained the process information. SPP believes it is appropriate to include the process in the Tariff. The process describes how an Eligible Entity will initiate and complete its

¹² See Tariff at Attachment AE, Section 7.1.1(a)(i) (Under the current tariff, "[f]or a Transmission Service reservation with a source inside the SPP Balancing Authority Area that is not a specific Resource or Resource Market Hub, the Transmission Provider will determine the load Settlement Location that most electrically corresponds to the source on the Transmission Service reservation that will be utilized as the source for candidate ARRs").

transmission service reservation, including how to structure its requests upon OASIS. The addition of Section 7.1.1.1 to Attachment AE will provide added transparency to aid Eligible Entities that decide to pursue this alternative option. An important stipulation to note is that the reservations to be created under this proposed language would be used exclusively for the TCR Market, and not for any other purpose or to award additional transmission service rights.¹³

Except for the amendments discussed herein, SPP intends for all other aspects of the Filings to remain unchanged and as submitted to the Commission. As the July 10 Filing was developed and approved through the SPP stakeholder process, SPP determined to utilize that same approach for the amendments proposed herein.¹⁴ As approved by the SPP Board of Directors,¹⁵ the amendments to the July 10 Filing proposed herein provides for a Market Participant's increased access to the benefits of the Integrated Marketplace. Commission approval of the Tariff revisions proposed herein will add increased transparency to the Tariff revisions proposed in the July 10 Filing, and provides an additional option for Eligible Entities to participate in the TCR Markets. Such a result is a just and reasonable method to provide access to the

¹³ See Proposed Tariff at Attachment AE, Section 7.1.1.1. The original transmission service request will remain on OASIS and retain its status as the "master" reservation.

¹⁴ The Commission has previously recognized that provisions approved through Regional Transmission Organization ("RTO") stakeholder processes 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) (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 the 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 (2008)).

¹⁵ See Board of Directors/Members Committee Meeting Minutes No. 160 at Agenda Item 3 posted on SPP's website at: http://www.spp.org/publications/BOD_MC%20102814%20Minutes.pdf (approved as part of the Consent Agenda).

benefits of the Integrated Marketplace. SPP respectfully requests the Commission accept this amendment to the Filings as just and reasonable and in the public interest; and grant an effective date of September 8, 2014, the date requested in the Filings.

III. ADDITIONAL INFORMATION

(1) Documents submitted with this filing:

In addition to this transmittal letter, the following documents are included with this filing:

Clean and Redline Tariff revisions under the Sixth Revised Volume No. 1.

(2) Effective date:

SPP requests that the Commission accept the proposed revisions to the SPP Tariff effective September 8, 2014, consistent with the requested effective date of the Filings.

(3) Service:

SPP has served a copy of this filing on all its Members, Customers, and Market Participants and all affected state commissions. A complete copy of this filing will be posted on the SPP web site, www.spp.org. SPP also has served a copy of this filing on all parties on the service list established by the Secretary of the Commission in this proceeding.

IV. CONCLUSION

Except for the revisions to Section 7.1.1 and addition of Section 7.1.1.1 of Attachment AE as discussed herein, no other amendments or modifications to the Filings are being requested. As stated previously, amendment of the Filings in this proceeding is permitted because no Commission or delegated order has been issued on the Filings. For the reasons stated herein, SPP respectfully requests that the Commission accept the Filings, as amended by this submission, with the requested effective date of September 8, 2014.

Respectfully submitted,

/s/ Matthew Harward

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Little Rock, Arkansas, this 25th day of November, 2014.

/s/ Matthew Harward
Matthew Harward

7.1.1 Transmission Service Verification

In order for Eligible Entities to obtain candidate ARRs, the Transmission Provider must first verify existing transmission service entitlements, including transmission service entitlements that have been renewed in accordance with rollover rights since their initial term. An Eligible Entity's transmission service must span the entire monthly or seasonal period for which ARRs are allocated to qualify for candidate ARRs in a particular month or season. For transmission service with rollover rights whose deadline for providing notice of rollover occurs after the annual ARR verification but before June 1, the Transmission Provider shall assume that the rollover will occur and shall consider the transmission service entitlement to span the entire allocation year, provided, however, that, if rollover rights for such transmission service are not exercised by the applicable deadline, any ARRs associated with such transmission service shall revert to the Transmission Provider effective on the date such transmission service terminates. The Transmission Provider will verify Eligible Entity existing transmission service entitlements as follows:

- (1) The following will be performed prior to each annual ARR allocation for Eligible Entities taking Network Integration Transmission Service or Firm Point-To-Point Transmission Service under the Tariff:
 - (a) The Transmission Provider will obtain source, sink and Reservation Capacity information from the OASIS for each monthly and seasonal period for which ARRs are allocated in which the transmission service spans the entire period, or would if or when rolled over, for the current annual allocation;
 - (i) For a transmission service reservation with a source inside the SPP Balancing Authority Area that is not a specific Resource or Resource Market Hub, the Transmission Provider will determine the load Settlement Location that most electrically corresponds to the source on the transmission service reservation that will be utilized as the source for candidate ARRs. In the alternative, Eligible Entities may create Resource specific transmission service reservations that represent their current transmission service

reservations using the process described in Section 7.1.1.1 of this Attachment AE.

- (ii) For a transmission service reservation with a source outside of the SPP Balancing Authority Area, the interface between the Transmission Provider and the first tier Balancing Authority Area associated with the transmission reservation will be utilized as the source for candidate ARR.
 - (iii) For a transmission service reservation with a sink outside of the SPP Balancing Authority Area, the interface between the Transmission Provider and the first tier Balancing Authority Area associated with the transmission reservation will be utilized as the sink for candidate ARR.
- (b) The Transmission Provider will provide this information to each Eligible Entity for verification; and
 - (c) Eligible Entities will notify the Transmission Provider within 2 weeks following receipt of this information, identifying and correcting inaccurate data on the OASIS. Otherwise, the Transmission Provider provided data will be considered verified.
- (2) The following will be performed prior to each annual ARR allocation for the Eligible Entity taking GFA service:
- (a) Each Transmission Owner shall register any GFA for which candidate ARRs are to be provided to the Transmission Owner or the transmission customer under the GFA on the Transmission Provider's OASIS. The Transmission Owner must provide the Transmission Provider with source, sink and Reservation Capacity information for each GFA on the Transmission Provider's OASIS by registering each GFA with the Transmission Provider. The Transmission Provider will use source, sink, and Reservation Capacity information from the GFA registration for each monthly and seasonal period for which ARRs are allocated. If both parties to the GFA are Market Participants with respect to the GFA load, then the

parties may jointly inform the Transmission Provider which Market Participant will be allocated the candidate ARRs. If the parties to the GFA do not so inform the Transmission Provider, or if only the Transmission Owner that sold the GFA service is a Market Participant, then the Transmission Owner that sold the GFA service will be allocated the candidate ARRs associated with the GFA.

- (i) For a GFA with a source inside the SPP Balancing Authority Area that is not a specific Resource or Resource Market Hub, the Transmission Provider will determine the load Settlement Location that most electrically corresponds to the source on the transmission service reservation that will be utilized as the source for candidate ARRs.
 - (ii) For a GFA with a source outside of the SPP Balancing Authority Area, the interface between the Transmission Provider and the first tier Balancing Authority Area associated with the transmission reservation will be utilized as the source for the candidate ARRs.
 - (iii) For a GFA with a sink outside of the SPP Balancing Authority Area, the interface between the Transmission Provider and the first tier Balancing Authority Area associated with the transmission reservation will be utilized as the sink for the candidate ARRs.
- (b) If the transmission customer under the GFA is receiving the candidate ARRs, to the extent that the transmission service specified in the GFA is identified as the equivalent of SPP Network Integration Transmission Service, the transmission customer under the GFA must provide the historical peak loads being served under the GFA for the previous three years.

7.1.1.1 Transmission Service Reservation Modification for Resource Specific Source Points

For purposes of the Transmission Provider's verification of transmission service entitlements under this Section 7.1.1(1)(a)(i) of this Attachment AE, Eligible Entities may use their non-Resource specific transmission service that is inside the SPP market footprint by creating individual Resource specific transmission service reservations on OASIS. These individual Resource specific transmission service reservations will be used exclusively for the TCR Markets. The original transmission service reservations will remain on OASIS.

For an Eligible Entity's use of its original master Network Integration Transmission Service reservation to create Resource specific transmission service reservations, Appendix 1 of the Eligible Entity's current Network Integration Transmission Service Agreement will be used to validate the process. For an Eligible Entity's use of non-Resource specific transmission service other than its original master Network Integration Transmission Service reservation, the Eligible Entity involved in the transmission service transaction will be responsible for determining which Resources and Resource capacities should be used to create the Resource specific transmission service reservation. SPP shall not be required to determine which Resources the transmission service is intended to represent. The sum of all transmission service from each Resource must be less than or equal to the Maximum Capacity of the Resource.

Eligible Entities must use the following process to initiate and complete the TSR modification.

- (1) Submit the "Non-Resource Specific TSR Breakout Form," found on www.spp.org, to SPP if more than one party is involved in the transmission service transaction; and
- (2) Submit new transmission service requests with the new service code of "SPP FN-7 YEARLY NITS TCR", "SPP F-7 YEARLY PTP TCR", "SPP FN-7 MONTHLY NITS TCR", or "SPP F-7 MONTHLY PTP TCR", whichever is equivalent to the original transmission service type.
 - (a) The only difference between the original transmission service reservation and the new transmission service reservation should be the source, the capacity, and the subclass.

- (i) For transmission service reservations utilizing the Eligible Entity's original master Network Integration Transmission Service, the capacity should be the highest value per Resource found in Appendix 1 of the Network Integration Transmission Service Agreement (including the comments column) rounded up to the nearest whole MW value. If the capacity in the Network Integration Transmission Service Agreement changes after the transmission service reservation has been granted, then this transmission service reservation may be recalled and a new transmission service reservation may be submitted to represent the new value in the Network Integration Transmission Service Agreement.
 - (ii) For other Non-Resource Specific transmission service reservations, the capacity should be the amount the parties have agreed to.
- (b) Pre-confirm all submittals to allow for immediate confirmation after acceptance by SPP.

7.1.1 Transmission Service Verification

In order for Eligible Entities to obtain candidate ARRs, the Transmission Provider must first verify existing **T**ransmission **S**ervice entitlements, including **T**ransmission **S**ervice entitlements that have been renewed in accordance with rollover rights since their initial term. An Eligible Entity's **T**ransmission **S**ervice must span the entire monthly or seasonal period for which ARRs are allocated to qualify for candidate ARRs in a particular month or season. For **T**ransmission **S**ervice with rollover rights whose deadline for providing notice of rollover occurs after the annual ARR verification but before June 1, the Transmission Provider shall assume that the rollover will occur and shall consider the **T**ransmission **S**ervice entitlement to span the entire allocation year, provided, however, that, if rollover rights for such **T**ransmission **S**ervice are not exercised by the applicable deadline, any ARRs associated with such **T**ransmission **S**ervice shall revert to the Transmission Provider effective on the date such **T**ransmission **S**ervice terminates. The Transmission Provider will verify Eligible Entity existing **T**ransmission **S**ervice entitlements as follows:

- (1) The following will be performed prior to each annual ARR allocation for Eligible Entities taking Network Integration Transmission Service or Firm Point-To-Point Transmission Service under the Tariff:
 - (a) The Transmission Provider will obtain source, sink and Reservation Capacity information from the OASIS for each monthly and seasonal period for which ARRs are allocated in which the **T**ransmission **S**ervice spans the entire period, or would if or when rolled over, for the current annual allocation;
 - (i) For a **T**ransmission **S**ervice reservation with a source inside the SPP Balancing Authority Area that is not a specific Resource or Resource Market Hub, the Transmission Provider will determine the load Settlement Location that most electrically corresponds to the source on the **T**ransmission **S**ervice reservation that will be utilized as the source for candidate ARRs. In the alternative, Eligible Entities may create Resource specific transmission service reservations that represent their current transmission service

reservations using the process described in Section 7.1.1.1 of this Attachment AE.

- (ii) For a ~~T~~transmission ~~S~~service reservation with a source outside of the SPP Balancing Authority Area, the interface between the Transmission Provider and the first tier Balancing Authority Area associated with the transmission reservation will be utilized as the source for candidate ARR.
 - (iii) For a ~~T~~transmission ~~S~~service reservation with a sink outside of the SPP Balancing Authority Area, the interface between the Transmission Provider and the first tier Balancing Authority Area associated with the transmission reservation will be utilized as the sink for candidate ARRs.
- (b) The Transmission Provider will provide this information to each Eligible Entity for verification; and
 - (c) Eligible Entities will notify the Transmission Provider within 2 weeks following receipt of this information, identifying and correcting inaccurate data on the OASIS. Otherwise, the Transmission Provider provided data will be considered verified.
- (2) The following will be performed prior to each annual ARR allocation for the Eligible Entity taking GFA service:
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For an Eligible Entity's use of its original master Network Integration Transmission Service reservation to create Resource specific transmission service reservations, Appendix 1 of the Eligible Entity's current Network Integration Transmission Service Agreement will be used to validate the process. For an Eligible Entity's use of non-Resource specific transmission service other than its original master Network Integration Transmission Service reservation, the Eligible Entity involved in the transmission service transaction will be responsible for determining which Resources and Resource capacities should be used to create the Resource specific transmission service reservation. SPP shall not be required to determine which Resources the transmission service is intended to represent. The sum of all transmission service from each Resource must be less than or equal to the Maximum Capacity of the Resource.

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- (2) Submit new transmission service requests with the new service code of "SPP FN-7 YEARLY NITS TCR", "SPP F-7 YEARLY PTP TCR", "SPP FN-7 MONTHLY NITS TCR", or "SPP F-7 MONTHLY PTP TCR", whichever is equivalent to the original transmission service type.
 - (a) The only difference between the original transmission service reservation and the new transmission service reservation should be the source, the capacity, and the subclass.

- (i) For transmission service reservations utilizing the Eligible Entity's original master Network Integration Transmission Service, the capacity should be the highest value per Resource found in Appendix 1 of the Network Integration Transmission Service Agreement (including the comments column) rounded up to the nearest whole MW value. If the capacity in the Network Integration Transmission Service Agreement changes after the transmission service reservation has been granted, then this transmission service reservation may be recalled and a new transmission service reservation may be submitted to represent the new value in the Network Integration Transmission Service Agreement.
- (ii) For other Non-Resource Specific transmission service reservations, the capacity should be the amount the parties have agreed to.
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