

August 25, 2015

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Re: *Southwest Power Pool, Inc.*, Docket No. ER15-____
Submission of Network Integration Transmission Service Agreement and
Network Operating 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 ("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 Chanute, KS ("Chanute") as Network Customer ("Second Revised Chanute Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") among SPP as Transmission Provider, Chanute as Network Customer, and Westar Energy, Inc. ("Westar") as Host Transmission Owner ("Second Revised Chanute NOA").¹ The Second Revised Chanute Agreements modify and supersede the Service Agreement and NOA accepted by the Commission on January 20, 2015 in Docket No. ER15-162-001.² SPP is submitting this filing because the Second Revised Chanute Agreements include terms and conditions that do not conform

¹ The Second Revised Chanute Service Agreement and Second Revised Chanute NOA are referred to collectively as the "Second Revised Chanute Agreements," and SPP, Chanute and Westar are referred to collectively as "the Parties." The Second Revised Chanute Agreements are designated as Second Revised Service Agreement No. 2881.

² See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER15-162-001 (January 20, 2015) ("January Letter Order"). The agreements referenced in the January Letter Order are referred to collectively as the "First Revised Chanute Agreements" and individually as the "First Revised Chanute Service Agreement" and the "First Revised Chanute NOA."

to the standard forms of service agreements set forth in the SPP Open Access Transmission Tariff (“SPP Tariff”).³

I. Description of the Second Revised Chanute Agreements

Since the January Letter Order, the Parties revised the First Revised Chanute Service Agreement to update the wholesale distribution service charge information in Appendix 4. In addition, the Parties updated the First Revised Chanute Service Agreement to include changes to the *pro forma* Service Agreement approved by the Commission in ER14-2887-000.⁴ To facilitate these changes, the Parties executed the Second Revised Chanute Service Agreement, which is submitted herein with the Second Revised Chanute NOA as the Second Revised Chanute Agreements.

II. Non-Conforming Terms and Conditions

The Second Revised Chanute Service Agreement retains the non-conforming terms and conditions in Sections 8.6 and 8.9 of Attachment 1 and Appendices 3 and 4 from the First Revised Chanute Service Agreement.⁵ These non-conforming terms and conditions were accepted by the Commission in the January Letter Order.⁶

III. Effective Date and Waiver

SPP requests an effective date of August 1, 2015 for the Second Revised Chanute Agreements. To permit such an effective date, 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 Second Revised Chanute Agreements are being filed within 30 days of the commencement of service.⁷

³ See Southwest Power Pool, Inc., FERC Open Access Transmission Tariff, Sixth Revised Volume No. 1 at Attachment F (“*pro forma* Service Agreement”) and Attachment G (“*pro forma* NOA”), collectively “the *pro forma* Agreements.”

⁴ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER14-2887-000 (Nov. 18, 2014).

⁵ The non-conforming terms and conditions are highlighted in Exhibit No. SPP-1. The Second Revised Chanute NOA conforms to the *pro forma* NOA.

⁶ See January Letter Order.

⁷ 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.”); see also 18 C.F.R. § 35.3(a)(2).

IV. 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, SPP includes the following:

- (i) A clean copy of the Second Revised Chanute Agreements;
- (ii) A redlined copy of the Second Revised Chanute Agreements; and
- (iii) Exhibit No. SPP-1 - Highlighted pages of non-conforming terms and conditions in the Second Revised Chanute Agreements.

(2) Effective Date:

As discussed herein, SPP respectfully requests that the Commission accept the Second Revised Chanute Agreements with an effective date of August 1, 2015.

(3) Service:

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

(4) Basis of Rate:

All charges will be determined in accordance with the SPP Tariff and the Second Revised Chanute Agreements.

B. Communications:

Any correspondence regarding this matter should be directed to:

Tessie Kentner
Attorney
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223
Telephone: (501) 688-1782
tkentner@spp.org

Nicole Wagner
Manager - Regulatory Policy
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223
Telephone: (501) 688-1642
jwagner@spp.org

V. Conclusion

For all the foregoing reasons, SPP respectfully requests that the Commission accept the Second Revised Chanute Agreements with an effective date of August 1, 2015.

Respectfully submitted,

/s/ Tessie Kentner
Tessie Kentner

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

Exhibit No. SPP-1
Non-Conforming Language

- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

8.4.2 In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

8.4.3 When the Network Customer elects to self-supply or have third party provide Ancillary Services and is unable to provide its 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 - Transmission

The Network Customer shall be responsible for losses in accordance with Attachment M of the Tariff.

8.6 Real Power Losses – Distribution

The Network Customer shall replace all distribution losses in accordance with Westar Energy's Open Access Transmission Tariff, Section 28.5, based upon the location of each delivery point meter located on distribution facilities. The composite loss percentages in Section 28.5 shall exclude transmission losses.

8.7 Power Factor Correction Charge

8.8 Redispatch Charge

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

8.9 Wholesale Distribution Service Charge

The Wholesale Distribution Service charge cost support and monthly charge is detailed in Appendix 4.

8.10 Network Upgrade Charges

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

1. Cities of Seneca, Arcadia and Centralia, 11MW, were studied as transmission service request 1458533, replaced by 74107462, combined into 75401876, and are currently represented in 79452075. Requested service depends on and is contingent on completion of the following aggregate study SPP-2008-AGP1 allocated Transmission Service upgrade. The costs of this upgrade 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

| Upgrade Name | Upgrade Description | Transmission Owner | Date Required in Service |
|--|---|--------------------|--------------------------|
| HALSTEAD SOUTH - SEDGWICK COUNTY NO. 12 COLWICH 138KV CKT 1 | Replace disconnect switches, wavetrap and CT | WERE | 6/1/2019 |

2. Addition of Municipal Energy Agency of Nebraska resource, 2 MW, studied as transmission request 76586685 and confirmed as 79452070, is contingent upon the completion of the SPP-2012-AG1 Reliability Project specified below. Designation of this resource shall be effective on May 1, 2014 and shall remain effective through May 1, 2019

APPENDIX 3

City of Chanute

Delivery Points

| (a) | (b) | (c) | (d) | (e) |
|-----------------------------|--|--|--------------------|---|
| SPP Bus Number / Name | Delivery Point Name | Point of Delivery Voltage [kV] (2) | Meter Ownership | Meter Voltage [kV] Measured (Location) (1) |
| 533637 IOLA 2 69.0 kV | City Iola | 69 | Westar | 69 (Transmission)/(a) |
| 533774 SHEFFLD2 69.0 kV | City of Arcadia | 4.2 | Westar | 4.2 (Circuit)/(g) |
| 533337 SENECA 3 115.0 kV | City of Centralia | 2.4 | Westar | 2.4 (Bus)/(b) |
| 533665 CHANP3 2 69.0 kV | City of Chanute | 69 | Westar | 69 (Transmission)/(a) |
| 533664 CHANP2 2 69.0 kV | City of Chanute | 69 | Westar | 69 (Transmission)/(a) |
| 533714 YLWJACK2 69.0 kV | City of Fredonia Light Industrial Park | 69 | Westar | 69 (Transmission)/(a) |
| 533337 SENECA 3 115.0 kV | City of Sabetha | 12.5 | Westar | 12.5 (Low Side)/(b) |
| 533337 SENECA 3 115.0 kV | City of Seneca #1 | 12.5 | Westar | 12.5 (Bus)/(b) |
| 533337 SENECA 3 115.0 kV | City of Seneca #2 | 12.5 | Westar | 12.5 (Bus)/(b) |

FOOTNOTES:

- (1) kV value where meter is physically located. (Location) = Meter located on Distribution. (Low Side) = Low Side of Transformer, (Bus) = Meter located on distribution bus after switch or voltage regulator, and (Circuit) = Meter located on distribution circuit. After September 1, 2012, the applicable Loss Factor, from the Loss Factor tables included in Section 28.5 of Westar Energy's

OATT, are identified as (a) through (h) in the Notes column of those tables. Any special configuration not represented in (a) through (h) will be outlined as a special footnote within this appendix.

- (2) The Points of Delivery under this NITSA are located at, or immediately adjacent to, the connection between Westar Energy's facilities and the Network Customer's facilities.

Appendix 4

Wholesale Distribution Service Charges

APPENDIX 4

City of Chanute

Monthly Wholesale Distribution Service Charge

| Delivery Point | Facility | Facility Cost | Facility MW Demand | Facility Cost Per MW | Metered MW Demand | Loss Adjusted MW Demand | Share of Facility Cost |
|--|----------------------|---------------|--------------------|----------------------|-------------------|-------------------------|------------------------|
| Arcadia | Circuit SK4103 04-03 | \$13,608.13 | 2.1500 | \$6,329.36 | 0.4040 | 0.4210 | \$2,664.66 |
| | Circuit SK4411 23-02 | \$28,436.72 | 2.2395 | \$12,697.80 | 0.4040 | 0.4210 | \$5,345.77 |
| | Sub SK4103 Arcadia | \$2,174.04 | 0.4210 | \$5,163.98 | 0.4040 | 0.4210 | \$2,174.04 |
| | Sub SK4411 Sheffield | \$124,378.37 | 4.9000 | \$25,383.34 | 0.4040 | 0.4210 | \$10,686.39 |
| Centralia | Sub SO0100 Centralia | \$48,109.34 | 1.6000 | \$30,068.34 | 1.0910 | 1.0981 | \$33,018.04 |
| Sabetha | Sub SO1094 Sabetha | \$59,667.95 | 9.5354 | \$6,257.52 | 9.4738 | 9.5354 | \$59,667.95 |
| Total Facility Cost | | | | | \$113,556.85 | | |
| 2015 Net Plant Carrying Charge | | | | | 1.4300% | | |
| Monthly Wholesale Distribution Service Charge | | | | | \$1,623.86 | | |

Southwest Power Pool, Inc.

Second Revised Service Agreement No. 2881

**SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION
SERVICE BETWEEN SOUTHWEST POWER POOL, INC.
AND CITY OF CHANUTE, KS**

This Network Integration Transmission Service Agreement ("Service Agreement") is entered into this 1st day of August, 2015, by and between City of Chanute, KS ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "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 SPP Region and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff; and

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 May 1, 2019. 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, Inc. (Transmission Provider):

Tessie Kentner

201 Worthen Drive

Little Rock, AR 72223-4936

Email Address: tkentner@spp.org

Phone Number: (501) 688-1762

Network Customer:

City of Chanute

Larry Gates

Director of Utilities

1415 N Garfield PO Box 907

Chanute Kansas 66720

Email Address: lgates@chanute.org

Phone Number: (620) 431-5275

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.

TRANSMISSION PROVIDER

NETWORK CUSTOMER

/s/ Carl Monroe
Signature

/s/ Larry Gates
Signature

Carl Monroe
Printed Name

Larry Gates
Printed Name

EVP & COO
Title

Director of Utilities
Title

August 11, 2015
Date

7-10-2015
Date

ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND CITY OF CHANUTE
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 Westar Zone(s) as listed in Appendix 3.

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. The meter owner shall cause to be provided to the Transmission Provider, Network Customer and applicable Transmission Owner, on a monthly basis such data as required by Transmission Provider for billing. The Network Customer's load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission and distribution losses, as applicable, as specified in Sections 8.5 and 8.6, respectively. 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 Zone(s) and Intervening Systems Providing Transmission Service

The affected Zone(s) is/are Westar. 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 Westar Zone(s).

6.0 Delivery Points

The delivery points are the interconnection points of Network Customer 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, System Control and Dispatch Service per Schedule 1 of the Tariff.
- b) Tariff Administration Service per Schedule 1-A 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 may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

8.4.2 In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

8.4.3 When the Network Customer elects to self-supply or have third party provide Ancillary Services and is unable to provide its 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 - Transmission

The Network Customer shall be responsible for losses in accordance with Attachment M of the Tariff.

8.6 Real Power Losses – Distribution

The Network Customer shall replace all distribution losses in accordance with Westar Energy's Open Access Transmission Tariff, Section 28.5, based upon the location of each delivery point meter located on distribution facilities. The composite loss percentages in Section 28.5 shall exclude transmission losses.

8.7 Power Factor Correction Charge

8.8 Redispatch Charge

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

8.9 Wholesale Distribution Service Charge

The Wholesale Distribution Service charge cost support and monthly charge is detailed in Appendix 4.

8.10 Network Upgrade Charges

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

1. Cities of Seneca, Arcadia and Centralia, 11MW, were studied as transmission service request 1458533, replaced by 74107462, combined into 75401876, and are currently represented in 79452075. Requested service depends on and is contingent on completion of the following aggregate study SPP-2008-AGP1 allocated Transmission Service upgrade. The costs of this upgrade 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

| Upgrade Name | Upgrade Description | Transmission Owner | Date Required in Service |
|--|---|--------------------|--------------------------|
| HALSTEAD SOUTH - SEDGWICK COUNTY NO. 12 COLWICH 138KV CKT 1 | Replace disconnect switches, wavetrap and CT | WERE | 6/1/2019 |

2. Addition of Municipal Energy Agency of Nebraska resource, 2 MW, studied as transmission request 76586685 and confirmed as 79452070, is contingent upon the completion of the SPP-2012-AG1 Reliability Project specified below. Designation of this resource shall be effective on May 1, 2014 and shall remain effective through May 1, 2019

Reliability Project

| Upgrade Name | Upgrade Description | Transmission Owner | Date Required in Service |
|-----------------------------------|---|--------------------|--------------------------|
| Butler - Weaver 138kV CKT 1 #2 | Rebuild the 138kV Butler to Weaver line with new poles, conductor, and shield wire. Upgrade relays at both ends to achieve 1200 amp rating. | WERE | 6/1/2015 |

- 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, Network Customer shall be responsible for paying all charges specified as its obligation in this Section 8.10 of this Attachment 1, for the term specified herein for each assigned upgrade.

8.11 Meter Data Processing Charge

8.12 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
City of Chanute**

APPENDIX 1 CITY OF CHANUTE NETWORK RESOURCES

| Network Resource | Maximum Net Dependable Capacity | | Location | Comments |
|------------------|---------------------------------|--------|----------------|--|
| | Summer | Winter | | |
| Chan9 | 2 | 2 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan10 | 2.3 | 2.3 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan11 | 7.2 | 7.2 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan12 | 7.4 | 7.4 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan14 | 42.8 | 42.8 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#1 | 5.1 | 5.1 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#2 | 5.1 | 5.1 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#6 | 2.5 | 2.5 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#7 | 2.5 | 2.5 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Sab2 | 1.2 | 1.2 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Sab10 | 1.8 | 1.8 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Sab11 | 2.7 | 2.7 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |

| | | | | |
|---|----|----|-------------------|---|
| | | | | |
| Sab12 | 4 | 4 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| GRDA Purchase | 2 | 2 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452396 |
| Nearman Purchase | 3 | 3 | Wyandotte, KS | Term of Service: 5/1/2014 to 5/1/2019 79452008 |
| KCPL Purchase | 45 | 45 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452043 |
| SWPA Purchase | 1 | 1 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452052 |
| Displacement Agreement between Municipal Energy Agency of Nebraska and Western Area Power Administration comprising of generation from Ansley for 1.5MW, Benkelman 0.8MW, Broken Bow 7.3MW, Burwell 3.3MW, Callaway 1MW, Crete 6.1MW, Curtis 3.1MW, Oxford 3.7MW, Pender 4.4MW, Red Cloud 4.4MW, Sargent 2.3MW, Stuart 1.8MW, West Point 4MW, and Fairbury 16MW | 2 | 2 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452070 |

Appendix 2

**Receipt Points of
City of Chanute**

Appendix 3

Delivery Points of

City of Chanute

APPENDIX 3

City of Chanute

Delivery Points

| (a) | (b) | (c) | (d) | (e) |
|-----------------------------|--|--|--------------------|---|
| SPP Bus Number / Name | Delivery Point Name | Point of Delivery Voltage [kV] (2) | Meter Ownership | Meter Voltage [kV] Measured (Location) (1) |
| 533637 IOLA 2 69.0 kV | City Iola | 69 | Westar | 69 (Transmission)/(a) |
| 533774 SHEFFLD2 69.0 kV | City of Arcadia | 4.2 | Westar | 4.2 (Circuit)/(g) |
| 533337 SENECA 3 115.0 kV | City of Centralia | 2.4 | Westar | 2.4 (Bus)/(b) |
| 533665 CHANP3 2 69.0 kV | City of Chanute | 69 | Westar | 69 (Transmission)/(a) |
| 533664 CHANP2 2 69.0 kV | City of Chanute | 69 | Westar | 69 (Transmission)/(a) |
| 533714 YLWJACK2 69.0 kV | City of Fredonia Light Industrial Park | 69 | Westar | 69 (Transmission)/(a) |
| 533337 SENECA 3 115.0 kV | City of Sabetha | 12.5 | Westar | 12.5 (Low Side)/(b) |
| 533337 SENECA 3 115.0 kV | City of Seneca #1 | 12.5 | Westar | 12.5 (Bus)/(b) |
| 533337 SENECA 3 115.0 kV | City of Seneca #2 | 12.5 | Westar | 12.5 (Bus)/(b) |

FOOTNOTES:

- (1) kV value where meter is physically located. (Location) = Meter located on Distribution. (Low Side) = Low Side of Transformer, (Bus) = Meter located on distribution bus after switch or voltage

regulator, and (Circuit) = Meter located on distribution circuit. After September 1, 2012, the applicable Loss Factor, from the Loss Factor tables included in Section 28.5 of Westar Energy's OATT, are identified as (a) through (h) in the Notes column of those tables. Any special configuration not represented in (a) through (h) will be outlined as a special footnote within this appendix.

- (2) The Points of Delivery under this NITSA are located at, or immediately adjacent to, the connection between Westar Energy's facilities and the Network Customer's facilities.

Appendix 4

Wholesale Distribution Service Charges

APPENDIX 4

City of Chanute

Monthly Wholesale Distribution Service Charge

| Delivery Point | Facility | Facility Cost | Facility MW Demand | Facility Cost Per MW | Metered MW Demand | Loss Adjusted MW Demand | Share of Facility Cost |
|--|----------------------|---------------|--------------------------|-------------------------|-------------------------|----------------------------------|---------------------------|
| Arcadia | Circuit SK4103 04-03 | \$13,608.13 | 2.1500 | \$6,329.36 | 0.4040 | 0.4210 | \$2,664.66 |
| | Circuit SK4411 23-02 | \$28,436.72 | 2.2395 | \$12,697.80 | 0.4040 | 0.4210 | \$5,345.77 |
| | Sub SK4103 Arcadia | \$2,174.04 | 0.4210 | \$5,163.98 | 0.4040 | 0.4210 | \$2,174.04 |
| | Sub SK4411 Sheffield | \$124,378.37 | 4.9000 | \$25,383.34 | 0.4040 | 0.4210 | \$10,686.39 |
| Centralia | Sub SO0100 Centralia | \$48,109.34 | 1.6000 | \$30,068.34 | 1.0910 | 1.0981 | \$33,018.04 |
| Sabetha | Sub SO1094 Sabetha | \$59,667.95 | 9.5354 | \$6,257.52 | 9.4738 | 9.5354 | \$59,667.95 |
| Total Facility Cost | | | | \$113,556.85 | | | |
| 2015 Net Plant Carrying Charge | | | | 1.4300% | | | |
| Monthly Wholesale Distribution Service Charge | | | | \$1,623.86 | | | |

**NETWORK OPERATING AGREEMENT BETWEEN SOUTHWEST POWER POOL,
INC., CITY OF CHANUTE, KS AND WESTAR ENERGY, INC.**

This Network Operating Agreement ("Operating Agreement") is entered into this 1st day of May, 2014, by and between City of Chanute, KS ("Network Customer"), Southwest Power Pool, Inc. ("Transmission Provider") and Westar Energy, Inc. ("Host Transmission Owner"). The Network Customer, Transmission Provider and Host Transmission Owner 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");

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the SPP Region and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, the Host Transmission Owner(s) owns the transmission facilities to which the Network Customer's Network Load is physically connected;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement ("Service Agreement") under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1.0 Network Service

This Operating Agreement sets out the terms and conditions under which the Transmission Provider, Host Transmission Owner, and Network Customer will cooperate and the Host Transmission Owner and Network Customer will operate their respective systems and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow the Host Transmission Owner and the Network Customer to operate their systems and the Transmission Provider to perform its obligations consistent with Good Utility Practice. The Transmission Provider may, on a non-discriminatory basis, waive the requirements of Section 4.1 and Section 8.3 to the extent that such information is unknown at the time of application or where such requirement is not applicable.

2.0 Designated Representatives of the Parties

- 2.1 Each Party shall designate a representative and alternate ("Designated Representative(s)") from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, redispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.
- 2.2 The Designated Representatives shall represent the Transmission Provider, Host Transmission Owner, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 12.0 of the Tariff, or otherwise, as mutually agreed by the Parties.

3.0 System Operating Principles

- 3.1 The Network Customer must design, construct, and operate its facilities safely and efficiently in accordance with Good Utility Practice, NERC, SPP, or any successor requirements, industry standards, criteria, and applicable manufacturer's equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Host Transmission Owner and Transmission Provider.
- 3.2 The Host Transmission Owner and Transmission Provider reserve the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately sixty hertz alternating current, shall be delivered at designated delivery points and nominal voltage(s) listed in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of the Host Transmission Owner and Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that transmission system integrity and the safety of customers, the public and employees are maintained or enhanced when such parallel operations is permitted either on a continuing basis or for intermittent switching or other service needs. Each Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.
- 3.4 The Host Transmission Owner and Network Customer shall operate their systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the

cause of such impairment, interruption or reduction, so as to restore normal operating conditions expeditiously.

- 3.6 The Transmission Provider and Host Transmission Owner, if applicable, reserve the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.7 In an emergency, the reasonable judgment of the Transmission Provider and Host Transmission Owner, if applicable, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the transmission system. The Transmission Provider or Host Transmission Owner, if applicable, may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, redispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider or Host Transmission Owner, if applicable, will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

4.0 System Planning & Protection

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider and Host Transmission Owner the following information:
 - a) A ten (10) year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;

- b) A ten (10) year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);
- c) A ten (10) year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
- d) A projection for each of the next ten (10) years of transmission facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the transmission system within the Host Transmission Owner's Zone.

This information is to be delivered to the Transmission Provider's and Host Transmission Owner's Designated Representatives pursuant to Section 2.0.

4.2 Information exchanged by the Parties under this article will be used for system planning and protection only, and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.

4.3 The Host Transmission Owner, and Transmission Provider, if applicable, will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider or Host Transmission Owner will provide the following to the Network Customer:

- a) A statement regarding the ability of the Host Transmission Owner's transmission system to meet the forecasted deliveries at each of the delivery points;
- b) A detailed description of any constraints on the Host Transmission Owner's system within the five (5) year horizon that will restrict forecasted deliveries; and
- c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery

points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representatives of the Host Transmission Owner and the Network Customer to identify appropriate remedies for such constraints including but not limited to: construction of new transmission facilities, upgrade or other improvements to existing transmission facilities or temporary modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Attachment O of the Tariff.

For all other constraints the Host Transmission Owner, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service sufficient capacity to maintain reliable service to the Network Customer.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff and with the Commission's rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff.

- 4.4 The Host Transmission Owner and the Network Customer shall coordinate with the Transmission Provider: (1) all scheduled outages of generating resources and transmission facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with the Host Transmission Owner regarding the technical and engineering arrangements for the delivery points, including one line diagrams depicting the electrical facilities configuration and

parallel generation, and shall design and build the facilities to avoid interruptions on the Host Transmission Owner's transmission system.

- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the SPP Criteria related to emergency operations.

5.0 Maintenance of Facilities

- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from the Host Transmission Owner's transmission system consistent with Good Utility Practice. The Transmission Provider or Host Transmission Owner, as appropriate, may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider or Host Transmission Owner may seek as a result any appropriate relief from the Commission.
- 5.2 The Designated Representatives shall establish procedures to coordinate the maintenance schedules, and return to service, of the generating resources and transmission and substation facilities, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a transmission line or substation. The Transmission Provider shall coordinate clearances with the Host Transmission Owner. The Network Customer shall notify the Transmission Provider and the Host Transmission Owner as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

6.0 Scheduling Procedures

- 6.1 The Network Customer is responsible for providing its Resource and load information to the Transmission Provider in accordance with Attachment AE.
- 6.2 For Interchange Transactions the Network Customer shall submit, or arrange to have submitted, the schedule of Energy to or from the Transmission Provider and a transaction identification E-Tag for each such schedule where required by NERC Standard INT-001.

7.0 Ancillary Services

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must obtain these services from the Transmission Provider or, where applicable, self-supply or obtain these services from a third party.
- 7.2 Where the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.

8.0 Metering

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment and telemetering equipment. The Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider's and Host Transmission Owner's representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) the Host Transmission Owner access to load data and other data available from any delivery point meter. If the Network Customer does not own the meter, the Host Transmission Owner shall make available, upon request, all load data and other data obtained by the Host Transmission Owner from the relevant delivery point meter, if available utilizing

existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that meter owner shall not be obligated to install, operate or maintain any meter or related equipment that is not approved for use by the meter owner and/or Host Transmission Owner, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner's equipment or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider or Host Transmission Owner, a special test shall be made, but if less than two percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to the period over which the meter error is shown to have been in effect or, where such period is indeterminable, for one-half the period since the prior meter test. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.
- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied.

For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile must be supplied. All rights and limitations between Parties granted in Sections 8.1, and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

9.0 Connected Generation Resources

9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the transmission system as instructed by the Transmission Provider.

9.2 For all Network Resources of the Network Customer, the following generation telemetry readings shall be submitted to the Transmission Provider and Host Transmission Owner:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

10.0 Redispatching, Curtailment and Load Shedding

10.1 In accordance with Section 33 of the Tariff, the Transmission Provider may require redispatching of Resources to relieve existing or potential transmission system constraints. The Transmission Provider shall redispatch Resources in accordance with the Energy and Operating Reserve Markets operations specified in Attachment AE. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider. The Transmission Provider will bill or credit the Network Customer as appropriate using the settlement procedures specified in Attachment AE.

10.2 The Parties shall implement load-shedding procedures to maintain the reliability and integrity for the Transmission System as provided in Section 33.1 of the Tariff and in accordance with applicable NERC and SPP requirements and Good

Utility Practice. Load shedding may include (1) automatic load shedding, (2) manual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Host Transmission Owner shall notify the Network Customer's dispatcher or schedulers of the required action and the Network Customer shall comply immediately.

- 10.3 The Network Customer will coordinate with the Host Transmission Owner to ensure sufficient load shedding equipment is in place on their respective systems to meet SPP requirements. The Network Customer and the Host Transmission Owner shall develop a plan for load shedding which may include manual load shedding by the Network Customer.

11.0 Communications

- 11.1 The Network Customer shall, at its own expense, install and maintain communication link(s) for scheduling. The communication link(s) shall be used for data transfer and for voice communication.
- 11.2 A Network Customer self-supplying Ancillary Services or securing Ancillary Services from a third-party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource(s) providing such Ancillary Services and the Host Transmission Owner's Zone.

12.0 Cost Responsibility

- 12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer, Host Transmission Owner, and Transmission Provider to implement the provisions of this Operating Agreement including, but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is consistent with Commission policy.
- 12.2 The Network Customer shall be responsible for all costs incurred by Network Customer, Host Transmission Owner, and Transmission Provider for on-going

operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is consistent with Commission policy. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or relocation of equipment required to accommodate service provided under this Operating Agreement.

13.0 Billing and Payments

Billing and Payments shall be in accordance with Attachment AE and Section 7 of the Tariff.

14.0 Dispute Resolution

Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

15.0 Assignment

This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

16.0 Choice of Law

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Arkansas, except laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America.

17.0 Entire Agreement

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff shall control.

18.0 Unilateral Changes and Modifications

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or a Transmission Owner unilaterally to file with the Commission, or make application to the Commission for, changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder, or under other applicable statutes or regulations.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

19.0 Term

This Operating Agreement shall become effective on the date assigned by the Commission ("Effective Date"), and shall continue in effect until the Tariff or the Network Customer's Service Agreement is terminated, whichever shall occur first.

20.0 Notice

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be considered delivered when

the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Transmission Provider
Southwest Power Pool, Inc.
Tessie Kentner
Attorney
201 Worthen Drive
Little Rock, AR 72223-4936
Phone: 501-688-1782
Email: tkentner@spp.org

Host Transmission Owner:
Westar Energy, Inc.
Thomas R. Stuchlik
Executive Director, System Operations
818 S. Kansas Avenue
Topeka, KS 66612
Phone: (785) 575-6046
Fax: (785) 575-1798
Email: tom.stuchlik@westarenergy.com

Network Customer
City of Chanute
Larry Gates
Director of Utilities
1415 N Garfield PO Box 907
Chanute Kansas 66720
Phone: (620) 431-5275
Email: lgates@chanute.org

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

- 20.2 Any notice, request, or demand pertaining to operating matters may be delivered in writing, in person or by first class mail, e-mail, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

21.0 Execution in Counterparts

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.

TRANSMISSION PROVIDER

/s/ Carl Monroe
Signature

Carl Monroe
Printed Name

EVP & COO
Title

5-7-2014
Date

HOST TRANSMISSION OWNER

/s/ Thomas R. Stuchlik
Signature

Thomas R. Stuchlik
Printed Name

Executive Director System Ops
Title

5/1/2014
Date

NETWORK CUSTOMER

/s/ Larry Gates
Signature

Larry Gates
Printed Name

Director of Utilities
Title

5-2-2014
Date

Southwest Power Pool, Inc.

Second Revised Service Agreement No. 2881

**SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION
SERVICE BETWEEN SOUTHWEST POWER POOL, INC.
AND CITY OF CHANUTE, KS**

This Network Integration Transmission Service Agreement ("Service Agreement") is entered into this 1st day of August, ~~2014~~2015, by and between City of Chanute, KS ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "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 SPP Region and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff; and

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 May 1, 2019. ~~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, Inc. (Transmission Provider):

Tessie Kentner
201 Worthen Drive
Little Rock, AR 72223-4936
Email Address: tkentner@spp.org
Phone Number: (501) 688-1762

Network Customer:

City of Chanute
Larry Gates
Director of Utilities
1415 N Garfield PO Box 907
Chanute Kansas 66720
Email Address: lgates@chanute.org
Phone Number: (620) 431-5275

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.

TRANSMISSION PROVIDER

NETWORK CUSTOMER

/s/ Carl Monroe
Signature

/s/ Larry Gates
Signature

Carl Monroe
Printed Name

Larry Gates
Printed Name

EVP & COO
Title

Director of Utilities
Title

August 11, 2015
Date

7-10-2015
Date

ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND CITY OF CHANUTE
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 Westar Zone(s) as listed in Appendix 3.

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. The meter owner shall cause to be provided to the Transmission Provider, Network Customer and applicable Transmission Owner, on a monthly basis such data as required by Transmission Provider for billing. The Network Customer's load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission and distribution losses, as applicable, as specified in Sections 8.5 and 8.6, respectively. 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 Zone(s) and Intervening Systems Providing Transmission Service

The affected Zone(s) is/are Westar. 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 Westar Zone(s).

6.0 Delivery Points

The delivery points are the interconnection points of Network Customer 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, System Control and Dispatch Service per Schedule 1 of the Tariff.
- b) Tariff Administration Service per Schedule 1-A 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 may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

8.4.2 In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

8.4.3 When the Network Customer elects to self-supply or have third party provide Ancillary Services and is unable to provide its 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 - Transmission

The Network Customer shall be responsible for losses in accordance with Attachment M of the Tariff.

8.6 Real Power Losses – Distribution

The Network Customer shall replace all distribution losses in accordance with Westar Energy's Open Access Transmission Tariff, Section 28.5, based upon the location of each delivery point meter located on distribution facilities. The composite loss percentages in Section 28.5 shall exclude transmission losses.

8.7 Power Factor Correction Charge

8.8 Redispatch Charge

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

8.9 Wholesale Distribution Service Charge

The Wholesale Distribution Service charge cost support and monthly charge is detailed in Appendix 4.

8.10 Network Upgrade Charges

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

1. Cities of Seneca, Arcadia and Centralia, 11MW, were studied as transmission service request 1458533, replaced by 74107462, combined into 75401876, and are currently represented in 79452075. Requested service depends on and is contingent on completion of the following aggregate study SPP-2008-AGP1 allocated Transmission Service upgrade. The costs of this upgrade 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

| Upgrade Name | Upgrade Description | Transmission Owner | Date Required in Service |
|--|---|--------------------|--------------------------|
| HALSTEAD SOUTH - SEDGWICK COUNTY NO. 12 COLWICH 138KV CKT 1 | Replace disconnect switches, wavetrap and CT | WERE | 6/1/2019 |

2. Addition of Municipal Energy Agency of Nebraska resource, 2 MW, studied as transmission request 76586685 and confirmed as 79452070, is contingent upon the completion of the SPP-2012-AG1 Reliability Project specified below. Designation of this resource shall be effective on May 1, 2014 and shall remain effective through May 1, 2019

Reliability Project

| Upgrade Name | Upgrade Description | Transmission Owner | Date Required in Service |
|-----------------------------------|---|--------------------|--------------------------|
| Butler - Weaver 138kV CKT 1 #2 | Rebuild the 138kV Butler to Weaver line with new poles, conductor, and shield wire. Upgrade relays at both ends to achieve 1200 amp rating. | WERE | 6/1/2015 |

- 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, Network Customer shall be responsible for paying all charges specified as its obligation in this Section 8.10 of this Attachment 1, for the term specified herein for each assigned upgrade.

8.11 Meter Data Processing Charge

8.12 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
City of Chanute**

APPENDIX 1 CITY OF CHANUTE NETWORK RESOURCES

| Network Resource | Maximum Net Dependable Capacity | | Location | Comments |
|------------------|---------------------------------|--------|----------------|--|
| | Summer | Winter | | |
| Chan9 | 2 | 2 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan10 | 2.3 | 2.3 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan11 | 7.2 | 7.2 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan12 | 7.4 | 7.4 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Chan14 | 42.8 | 42.8 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#1 | 5.1 | 5.1 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#2 | 5.1 | 5.1 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#6 | 2.5 | 2.5 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Iola#7 | 2.5 | 2.5 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Sab2 | 1.2 | 1.2 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Sab10 | 1.8 | 1.8 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| Sab11 | 2.7 | 2.7 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |

| | | | | |
|---|----|----|-------------------|---|
| | | | | |
| Sab12 | 4 | 4 | Neosho Co., KS | Term of Service 5/1/2014 to 5/1/2019. 79452062 |
| GRDA Purchase | 2 | 2 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452396 |
| Nearman Purchase | 3 | 3 | Wyandotte, KS | Term of Service: 5/1/2014 to 5/1/2019 79452008 |
| KCPL Purchase | 45 | 45 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452043 |
| SWPA Purchase | 1 | 1 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452052 |
| Displacement Agreement between Municipal Energy Agency of Nebraska and Western Area Power Administration comprising of generation from Ansley for 1.5MW, Benkelman 0.8MW, Broken Bow 7.3MW, Burwell 3.3MW, Callaway 1MW, Crete 6.1MW, Curtis 3.1MW, Oxford 3.7MW, Pender 4.4MW, Red Cloud 4.4MW, Sargent 2.3MW, Stuart 1.8MW, West Point 4MW, and Fairbury 16MW | 2 | 2 | Various | Term of Service: 5/1/2014 to 5/1/2019 79452070 |

Appendix 2

**Receipt Points of
City of Chanute**

Appendix 3

**Delivery Points of
City of Chanute**

APPENDIX 3

City of Chanute

Delivery Points

| (a) | (b) | (c) | (d) | (e) |
|-----------------------------|--|--|--------------------|---|
| SPP Bus Number / Name | Delivery Point Name | Point of Delivery Voltage [kV] (2) | Meter Ownership | Meter Voltage [kV] Measured (Location) (1) |
| 533637 IOLA 2 69.0 kV | City Iola | 69 | Westar | 69 (Transmission)/(a) |
| 533774 SHEFFLD2 69.0 kV | City of Arcadia | 4.2 | Westar | 4.2 (Circuit)/(g) |
| 533337 SENECA 3 115.0 kV | City of Centralia | 2.4 | Westar | 2.4 (Bus)/(b) |
| 533665 CHANP3 2 69.0 kV | City of Chanute | 69 | Westar | 69 (Transmission)/(a) |
| 533664 CHANP2 2 69.0 kV | City of Chanute | 69 | Westar | 69 (Transmission)/(a) |
| 533714 YLWJACK2 69.0 kV | City of Fredonia Light Industrial Park | 69 | Westar | 69 (Transmission)/(a) |
| 533337 SENECA 3 115.0 kV | City of Sabetha | 12.5 | Westar | 12.5 (Low Side)/(b) |
| 533337 SENECA 3 115.0 kV | City of Seneca #1 | 12.5 | Westar | 12.5 (Bus)/(b) |
| 533337 SENECA 3 115.0 kV | City of Seneca #2 | 12.5 | Westar | 12.5 (Bus)/(b) |

FOOTNOTES:

- (1) kV value where meter is physically located. (Location) = Meter located on Distribution. (Low Side) = Low Side of Transformer, (Bus) = Meter located on distribution bus after switch or voltage

regulator, and (Circuit) = Meter located on distribution circuit. After September 1, 2012, the applicable Loss Factor, from the Loss Factor tables included in Section 28.5 of Westar Energy's OATT, are identified as (a) through (h) in the Notes column of those tables. Any special configuration not represented in (a) through (h) will be outlined as a special footnote within this appendix.

- (2) The Points of Delivery under this NITSA are located at, or immediately adjacent to, the connection between Westar Energy's facilities and the Network Customer's facilities.

Appendix 4

Wholesale Distribution Service Charges

APPENDIX 4

City of Chanute

Monthly Wholesale Distribution Service Charge

| Delivery Point | Facility | Facility Cost | Facility MW Demand | Facility Cost Per MW | Metered MW Demand | Loss Adjusted MW Demand | Share of Facility Cost |
|--|----------------------|----------------------|---------------------------|-----------------------------|--------------------------|--------------------------------|-------------------------------|
| Arcadia | Circuit SK4103-04-03 | \$12,492.57 | 2.15 | \$5,810.50 | 0.321 | 0.3345 | \$1,943.61 |
| Arcadia | Circuit SK4411-23-02 | \$26,105.55 | 2.26 | \$11,551.13 | 0.321 | 0.3345 | \$3,863.85 |
| Arcadia | Sub SK4103-Arcadia | \$2,243.29 | 0.4 | \$5,608.22 | 0.321 | 0.3345 | \$1,875.95 |
| Arcadia | Sub SK4411-Sheffield | \$127,112.53 | 4.74 | \$26,987.80 | 0.321 | 0.3345 | \$9,027.42 |
| Centralia | Sub SO0100 Centralia | \$49,080.34 | 1.6 | \$30,675.19 | 1.111 | 1.1182 | \$34,301.00 |
| Sabetha | Sub SO1094-Sabetha | \$60,806.97 | 9.9012 | \$6,141.37 | 9.8373 | 9.9012 | \$60,806.93 |
| Total Facility Cost | | | | | | | \$111,818.76 |
| 2014 Net Plant Carrying Charge | | | | | | | 1.56% |
| Monthly Wholesale Distribution Service Charge | | | | | | | \$1,744.37 |

| <u>Delivery Point</u> | <u>Facility</u> | <u>Facility Cost</u> | <u>Facility MW Demand</u> | <u>Facility Cost Per MW</u> | <u>Metered MW Demand</u> | <u>Loss Adjusted MW Demand</u> | <u>Share of Facility Cost</u> |
|-----------------------|----------------------|----------------------|---------------------------|-----------------------------|--------------------------|--------------------------------|-------------------------------|
| Arcadia | Circuit SK4103 04-03 | \$13,608.13 | 2.1500 | \$6,329.36 | 0.4040 | 0.4210 | \$2,664.66 |
| | Circuit SK4411 23-02 | \$28,436.72 | 2.2395 | \$12,697.80 | 0.4040 | 0.4210 | \$5,345.77 |
| | Sub SK4103 Arcadia | \$2,174.04 | 0.4210 | \$5,163.98 | 0.4040 | 0.4210 | \$2,174.04 |
| | Sub SK4411 Sheffield | \$124,378.37 | 4.9000 | \$25,383.34 | 0.4040 | 0.4210 | \$10,686.39 |
| Centralia | Sub SO0100 Centralia | \$48,109.34 | 1.6000 | \$30,068.34 | 1.0910 | 1.0981 | \$33,018.04 |
| Sabetha | Sub SO1094 Sabetha | \$59,667.95 | 9.5354 | \$6,257.52 | 9.4738 | 9.5354 | \$59,667.95 |

| | |
|---|--------------------------|
| <u>Total Facility Cost</u> | <u>\$113,556.85</u> |
| <u>2015 Net Plant Carrying Charge</u> | <u>1.4300%</u> |
| <u>Monthly Wholesale Distribution Service Charge</u> | <u>\$1,623.86</u> |

**NETWORK OPERATING AGREEMENT BETWEEN SOUTHWEST POWER POOL,
INC., CITY OF CHANUTE, KS AND WESTAR ENERGY, INC.**

This Network Operating Agreement ("Operating Agreement") is entered into this 1st day of May, 2014, by and between City of Chanute, KS ("Network Customer"), Southwest Power Pool, Inc. ("Transmission Provider") and Westar Energy, Inc. ("Host Transmission Owner"). The Network Customer, Transmission Provider and Host Transmission Owner 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");

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the SPP Region and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, the Host Transmission Owner(s) owns the transmission facilities to which the Network Customer's Network Load is physically connected;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement ("Service Agreement") under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1.0 Network Service

This Operating Agreement sets out the terms and conditions under which the Transmission Provider, Host Transmission Owner, and Network Customer will cooperate and the Host Transmission Owner and Network Customer will operate their respective systems and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow the Host Transmission Owner and the Network Customer to operate their systems and the Transmission Provider to perform its obligations consistent with Good Utility Practice. The Transmission Provider may, on a non-discriminatory basis, waive the requirements of Section 4.1 and Section 8.3 to the extent that such information is unknown at the time of application or where such requirement is not applicable.

2.0 Designated Representatives of the Parties

- 2.1 Each Party shall designate a representative and alternate ("Designated Representative(s)") from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, redispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.
- 2.2 The Designated Representatives shall represent the Transmission Provider, Host Transmission Owner, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 12.0 of the Tariff, or otherwise, as mutually agreed by the Parties.

3.0 System Operating Principles

- 3.1 The Network Customer must design, construct, and operate its facilities safely and efficiently in accordance with Good Utility Practice, NERC, SPP, or any successor requirements, industry standards, criteria, and applicable manufacturer's equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Host Transmission Owner and Transmission Provider.
- 3.2 The Host Transmission Owner and Transmission Provider reserve the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately sixty hertz alternating current, shall be delivered at designated delivery points and nominal voltage(s) listed in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of the Host Transmission Owner and Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that transmission system integrity and the safety of customers, the public and employees are maintained or enhanced when such parallel operations is permitted either on a continuing basis or for intermittent switching or other service needs. Each Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.
- 3.4 The Host Transmission Owner and Network Customer shall operate their systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the

cause of such impairment, interruption or reduction, so as to restore normal operating conditions expeditiously.

- 3.6 The Transmission Provider and Host Transmission Owner, if applicable, reserve the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.7 In an emergency, the reasonable judgment of the Transmission Provider and Host Transmission Owner, if applicable, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the transmission system. The Transmission Provider or Host Transmission Owner, if applicable, may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, redispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider or Host Transmission Owner, if applicable, will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

4.0 System Planning & Protection

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider and Host Transmission Owner the following information:
- a) A ten (10) year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;

- b) A ten (10) year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);
- c) A ten (10) year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
- d) A projection for each of the next ten (10) years of transmission facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the transmission system within the Host Transmission Owner's Zone.

This information is to be delivered to the Transmission Provider's and Host Transmission Owner's Designated Representatives pursuant to Section 2.0.

4.2 Information exchanged by the Parties under this article will be used for system planning and protection only, and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.

4.3 The Host Transmission Owner, and Transmission Provider, if applicable, will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider or Host Transmission Owner will provide the following to the Network Customer:

- a) A statement regarding the ability of the Host Transmission Owner's transmission system to meet the forecasted deliveries at each of the delivery points;
- b) A detailed description of any constraints on the Host Transmission Owner's system within the five (5) year horizon that will restrict forecasted deliveries; and
- c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery

points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representatives of the Host Transmission Owner and the Network Customer to identify appropriate remedies for such constraints including but not limited to: construction of new transmission facilities, upgrade or other improvements to existing transmission facilities or temporary modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Attachment O of the Tariff.

For all other constraints the Host Transmission Owner, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service sufficient capacity to maintain reliable service to the Network Customer.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff and with the Commission's rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff.

- 4.4 The Host Transmission Owner and the Network Customer shall coordinate with the Transmission Provider: (1) all scheduled outages of generating resources and transmission facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with the Host Transmission Owner regarding the technical and engineering arrangements for the delivery points, including one line diagrams depicting the electrical facilities configuration and

parallel generation, and shall design and build the facilities to avoid interruptions on the Host Transmission Owner's transmission system.

- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the SPP Criteria related to emergency operations.

5.0 Maintenance of Facilities

- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from the Host Transmission Owner's transmission system consistent with Good Utility Practice. The Transmission Provider or Host Transmission Owner, as appropriate, may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider or Host Transmission Owner may seek as a result any appropriate relief from the Commission.
- 5.2 The Designated Representatives shall establish procedures to coordinate the maintenance schedules, and return to service, of the generating resources and transmission and substation facilities, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a transmission line or substation. The Transmission Provider shall coordinate clearances with the Host Transmission Owner. The Network Customer shall notify the Transmission Provider and the Host Transmission Owner as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

6.0 Scheduling Procedures

- 6.1 The Network Customer is responsible for providing its Resource and load information to the Transmission Provider in accordance with Attachment AE.
- 6.2 For Interchange Transactions the Network Customer shall submit, or arrange to have submitted, the schedule of Energy to or from the Transmission Provider and a transaction identification E-Tag for each such schedule where required by NERC Standard INT-001.

7.0 Ancillary Services

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must obtain these services from the Transmission Provider or, where applicable, self-supply or obtain these services from a third party.
- 7.2 Where the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.

8.0 Metering

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment and telemetering equipment. The Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider's and Host Transmission Owner's representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) the Host Transmission Owner access to load data and other data available from any delivery point meter. If the Network Customer does not own the meter, the Host Transmission Owner shall make available, upon request, all load data and other data obtained by the Host Transmission Owner from the relevant delivery point meter, if available utilizing

existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that meter owner shall not be obligated to install, operate or maintain any meter or related equipment that is not approved for use by the meter owner and/or Host Transmission Owner, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner's equipment or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider or Host Transmission Owner, a special test shall be made, but if less than two percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to the period over which the meter error is shown to have been in effect or, where such period is indeterminable, for one-half the period since the prior meter test. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.
- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied.

For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile must be supplied. All rights and limitations between Parties granted in Sections 8.1, and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

9.0 Connected Generation Resources

9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the transmission system as instructed by the Transmission Provider.

9.2 For all Network Resources of the Network Customer, the following generation telemetry readings shall be submitted to the Transmission Provider and Host Transmission Owner:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

10.0 Redispatching, Curtailment and Load Shedding

10.1 In accordance with Section 33 of the Tariff, the Transmission Provider may require redispatching of Resources to relieve existing or potential transmission system constraints. The Transmission Provider shall redispatch Resources in accordance with the Energy and Operating Reserve Markets operations specified in Attachment AE. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider. The Transmission Provider will bill or credit the Network Customer as appropriate using the settlement procedures specified in Attachment AE.

10.2 The Parties shall implement load-shedding procedures to maintain the reliability and integrity for the Transmission System as provided in Section 33.1 of the Tariff and in accordance with applicable NERC and SPP requirements and Good

Utility Practice. Load shedding may include (1) automatic load shedding, (2) manual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Host Transmission Owner shall notify the Network Customer's dispatcher or schedulers of the required action and the Network Customer shall comply immediately.

- 10.3 The Network Customer will coordinate with the Host Transmission Owner to ensure sufficient load shedding equipment is in place on their respective systems to meet SPP requirements. The Network Customer and the Host Transmission Owner shall develop a plan for load shedding which may include manual load shedding by the Network Customer.

11.0 Communications

- 11.1 The Network Customer shall, at its own expense, install and maintain communication link(s) for scheduling. The communication link(s) shall be used for data transfer and for voice communication.
- 11.2 A Network Customer self-supplying Ancillary Services or securing Ancillary Services from a third-party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource(s) providing such Ancillary Services and the Host Transmission Owner's Zone.

12.0 Cost Responsibility

- 12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer, Host Transmission Owner, and Transmission Provider to implement the provisions of this Operating Agreement including, but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is consistent with Commission policy.
- 12.2 The Network Customer shall be responsible for all costs incurred by Network Customer, Host Transmission Owner, and Transmission Provider for on-going

operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is consistent with Commission policy. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or relocation of equipment required to accommodate service provided under this Operating Agreement.

13.0 Billing and Payments

Billing and Payments shall be in accordance with Attachment AE and Section 7 of the Tariff.

14.0 Dispute Resolution

Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

15.0 Assignment

This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

16.0 Choice of Law

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Arkansas, except laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America.

17.0 Entire Agreement

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff shall control.

18.0 Unilateral Changes and Modifications

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or a Transmission Owner unilaterally to file with the Commission, or make application to the Commission for, changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder, or under other applicable statutes or regulations.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

19.0 Term

This Operating Agreement shall become effective on the date assigned by the Commission ("Effective Date"), and shall continue in effect until the Tariff or the Network Customer's Service Agreement is terminated, whichever shall occur first.

20.0 Notice

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be considered delivered when

the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Transmission Provider
Southwest Power Pool, Inc.
Tessie Kentner
Attorney
201 Worthen Drive
Little Rock, AR 72223-4936
Phone: 501-688-1782
Email: tkentner@spp.org

Host Transmission Owner:
Westar Energy, Inc.
Thomas R. Stuchlik
Executive Director, System Operations
818 S. Kansas Avenue
Topeka, KS 66612
Phone: (785) 575-6046
Fax: (785) 575-1798
Email: tom.stuchlik@westarenergy.com

Network Customer
City of Chanute
Larry Gates
Director of Utilities
1415 N Garfield PO Box 907
Chanute Kansas 66720
Phone: (620) 431-5275
Email: lgates@chanute.org

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

- 20.2 Any notice, request, or demand pertaining to operating matters may be delivered in writing, in person or by first class mail, e-mail, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

21.0 Execution in Counterparts

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.

TRANSMISSION PROVIDER

/s/ Carl Monroe
Signature

Carl Monroe
Printed Name

EVP & COO
Title

5-7-2014
Date

HOST TRANSMISSION OWNER

/s/ Thomas R. Stuchlik
Signature

Thomas R. Stuchlik
Printed Name

Executive Director System Ops
Title

5/1/2014
Date

NETWORK CUSTOMER

/s/ Larry Gates
Signature

Larry Gates
Printed Name

Director of Utilities
Title

5-2-2014
Date