

OPEN ACCESS  
TRANSMISSION TARIFF  
FOR SERVICE OFFERED BY  
SOUTHWEST POWER POOL

Effective February 1, 2000



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**I. COMMON SERVICE PROVISIONS**

**1 Definitions**

**1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's and Transmission Owner's(s) Transmission System in accordance with Good Utility Practice.

**1.2 Annual Transmission Cost:** The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

**1.3 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

**1.4 Commission:** The Federal Energy Regulatory Commission.

**1.5 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

**1.6 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power

system(s), with the load within the electric power system(s);

- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

**1.7 Curtailment:** A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

**1.8 Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

**1.9 Designated Agent:** Any entity that performs actions or functions required under the Tariff on behalf of the Transmission Provider, a Transmission Owner, an Eligible Customer, or the Transmission Customer.

**1.10 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by any Transmission Owner(s) for the sole use/benefit of a particular Transmission Customer or a particular group of customers requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service

Agreements that govern service to the Transmission Customer(s) and shall be subject to Commission approval.

**1.10a Effective Date:** For Short-Term Firm and Non-Firm Point-To-Point Transmission Service the Effective Date of this Tariff is June 1, 1998. For Long-Term Firm Point-To-Point Transmission Service the Effective Date of this Tariff is April 1, 1999. For Network Integration Transmission Service the Effective Date of this Tariff is February 1, 2000.

**1.11 Eligible Customer:** (i) Any electric utility (including the Transmission Owner(s) and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that a Transmission Owner offer the unbundled transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that a Transmission Owner offer the transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner, is an Eligible Customer under the Tariff.

- 1.12 Facilities Study:** An engineering study conducted by the Transmission Provider in collaboration with the affected Transmission Owner(s) to determine the required modifications to the Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service. The Transmission Provider shall have the ultimate responsibility for any such studies. However, the Transmission Provider's final decision must be consistent with Good Utility Practice. Facilities studies for any facilities not under the operational control of the Transmission Provider shall be performed by the Transmission Owner or any entity it designates to perform the studies.
- 1.12a Federal Power:** All power and energy generated at reservoir projects under the control of the Department of Army in the marketing area of the Southwestern Power Administration (Southwestern) plus power and energy delivered to Southwestern from other sources for the purpose of fulfilling Southwestern's contractual obligations for the sale of power and energy pursuant to Southwestern's Federal power allocations.
- 1.13 Firm Point-To-Point Transmission Service:** Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

**1.14 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

**1.14a Grandfathered Agreements or Transactions:** Grandfathered Agreements or Transactions include (1) firm transmission under transmission agreements executed before the effective date of the Tariff (Effective Date); (2) transmission under bundled wholesale contracts (which reserve transmission as part of the contract); (3) accepted and confirmed short-term firm and non-firm point-to-point transmission transactions which were accepted and confirmed prior to the Effective Date; (4) existing or new contracts entered into by the Southwestern Power Administration on behalf of the United States for the use of transmission facilities of the Southwestern Power Administration that are constructed or acquired by purchase or other agreement, as authorized under Section 5 of the Flood Control Act of 1944, for the transmission of Federal

Power; and (5) contracts executed before the Effective Date, regardless of term, entered into by the Southwestern Power Administration on behalf of the United States for the transmission of power or energy across transmission facilities owned and operated by the Southwestern Power Administration. Umbrella service agreements are specifically not grandfathered.

**1.15 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

**1.16 Load Ratio Share:** Ratio of a Transmission Customer's Network Load in a Zone to the total load in that Zone computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under part III of this Tariff and calculated on a calendar year basis.

**1.17 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

**1.18 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

**1.18a Member:** A member of SPP.

**1.19 Native Load Customers:** The wholesale and retail power customers of the Transmission Owner(s) on whose behalf the Transmission Owner(s), by statute, franchise, regulatory requirement, or

contract, has (have) undertaken an obligation to construct or operate the Transmission Owner's(s') system(s) to meet the reliable electric needs of such customers. In addition, Native Load Customers also may include the customers of the Federal Government on whose behalf the Government, by policy, statute, regulatory requirement, or contract, delivers Federal capacity and energy to meet all or a portion of the reliable electric needs of such customers.

**1.20 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

**1.21 Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.

**1.22 Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under



Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

**1.23 Network Operating Agreement:** An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

**1.24 Reserved:**

**1.25 Network Resource:** Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**1.26 Network Upgrades:** All or a portion of the modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

**1.27 Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this

Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

- 1.28 Open Access Same-Time Information System (OASIS):** The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.29 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.30 Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.31 Part III:** Tariff Sections 28 through 36 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.31a Part IV:** Tariff Sections 37 through 38 pertaining to special Tariff provisions related to the applicability of the Tariff during and after the Transition Period.
- 1.32 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.33 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the

Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

**1.34 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

**1.35 Point-To-Point Transmission Service:** The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

**1.36 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

**1.37 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

**1.38 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

- 1.39 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.40 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.41 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.
- 1.42 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.
- 1.42a SPP:** The Southwest Power Pool, Inc.
- 1.42b SPP Membership Agreement:** The Southwest Power Pool Membership Agreement detailing the rights and obligations of the SPP and SPP Members.
- 1.42c SPP Region:** The geographic area of the Transmission System.

- 1.43 System Impact Study:** A coordinated assessment by The Transmission Provider and the affected Transmission Owner(s) of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.44 Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.44a Transition Period:** The period from the Effective Date of this Tariff for the provision of Network Integration Transmission Service to the last day of the fifth year thereafter.
- 1.45 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.45a Transmission Owner:** Each member of SPP whose transmission facilities (in whole or in part) make up the Transmission System and has executed a membership agreement as a Transmission Owner. Those Transmission Owners that are not regulated by the Commission shall not become subject to Commission regulation by virtue of

their status as Transmission Owners under this Tariff; provided, however, that service over their facilities classified as transmission and covered by the Tariff shall be subject to Commission regulation.

- 1.46 Transmission Provider:** The Southwest Power Pool, Inc., as agent for and on behalf of the Transmission Owners.
- 1.47 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
- 1.48 Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.49 Transmission System:** The facilities used by the Transmission Provider to provide transmission service under Part II and Part III of the Tariff and are reflected in the rates for Network Integration, Long-Term Firm, Short-Term Firm and Non-Firm Point-to-Point Transmission Service under the Tariff as stated in Attachments H and T.
- 1.49a Users:** Transmission Customers or other entities that are parties to transactions under the Tariff.
- 1.49b Wholesale Distribution Service:** The provision of distribution service over a Transmission Owner's Distribution Facilities necessary to effectuate a transaction under this Tariff. To the extent such service is required, it shall be specified in the

Service Agreement for the associated service being provided under the Tariff. The charges for Wholesale Distribution Service are described in Schedule 10.

**1.50 Zone:** The geographic area of the facilities of a Transmission Owner or a specific combination of Transmission Owners as specified in Schedules 7,8, and 9.

## **2 Initial Allocation and Renewal Procedures**

**2.1 Initial Allocation of Available Transmission Capability:** For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the Effective Date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by the Transmission Provider shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

**2.2 Reservation Priority For Existing Firm Service Customers:**  
Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more, and retail) of the Transmission Owner(s) or Transmission Provider have the right to continue to take transmission service from the

Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Owner(s) or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer. This reservation priority only applies to the facilities of the Transmission Owner(s) where such facility costs have been included as part of the firm service rates that the firm service customer has been paying. If competing existing firm service requirements customers apply for service that cannot be fully provided, the priority rights will be ranked in accordance with first-come, first-served principles. If firm service customers tie, then the capacity for which they receive priority rights under this Tariff shall be apportioned on a pro rata basis.



As shown on Schedules 1 and 2, the Transmission Provider will provide Scheduling and Tariff Administration Service and will facilitate and arrange for the supply of Reactive Supply and Voltage Control from Generation Sources Service. In order to allow the Transmission Provider to arrange for Reactive Supply and Voltage Control from Generation Sources Service, each Transmission Owner shall maintain a schedule offering such service. All Transmission Customers are required to purchase these two services from the Transmission Provider based on the charges in Schedules 1 and 2. In addition, the Transmission Owners may continue to provide Scheduling, System Control and Dispatch Services related to transmission service under this Tariff. Each Transmission Owner must maintain a schedule showing the charges for such services. Any amounts charged the Transmission Provider by a Transmission Owner for such service shall be passed through to the Transmission Customer without mark-up. Each Transmission Owner's schedules for Scheduling, System Control and Dispatch Service and for Reactive Supply and Voltage Control from Generation Sources Service shall be available through the SPP OASIS.

Each Transmission Owner also shall maintain schedules which offer (1) Regulation and Frequency Response Service, (2) Energy Imbalance Service, (3) Operating Reserve - Spinning Reserve Service, and (4) Operating Reserve - Supplemental Reserve Service. Transmission Customers shall pay the Transmission Provider providing any of these services directly for the service. Each Transmission Owner's schedules for these services also shall be available through SPP OASIS. The Transmission Customer serving load within a Transmission Owner's(s') Control Area(s) is required to acquire these four

Ancillary Services, whether from the Transmission Owner(s), from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Owner's(s') offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Owner(s). The Transmission Provider shall determine whether the Transmission Customer has adequately demonstrated that it has acquired the Ancillary Services from another source. If the Transmission Provider determines that the Transmission Customer is taking Ancillary Services that it has not paid for from an SPP Member or otherwise has not made adequate arrangements for Ancillary Services, then the Transmission Provider may impose a penalty equal to 200% of the specific Ancillary Service charge for the host Control Area (i.e. the Control Area where the load is located) for the entire length of the reserved period but not exceeding one month. The Transmission Provider shall compensate any affected Control Areas or generators for 100% of the specific Ancillary Service charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs.

#### **4 Open Access Same-Time Information System (OASIS)**

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). In the event available transmission capability as

posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

**5 Local Furnishing Bonds**

**5.1 Transmission Owners That Own Facilities Financed by Local**

**Furnishing Bonds or that are Tax Exempt Entities:** This provision is applicable only to Transmission Owners that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds") or that are tax-exempt entities, described in Section 501(c) of the Internal Revenue Code. Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance a Transmission Owner's facilities that would be used in providing such transmission service or would jeopardize the tax-exempt status of the tax-exempt entity.

**5.2 Alternative Procedures for Requesting Transmission Service:**

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance a Transmission Owner's

facilities that would be used in providing such transmission service or would jeopardize the tax-exempt status of the Transmission Owner, the Transmission Provider shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider and the relevant Transmission Owner, within ten (10) days of receiving a copy of the Section 211 application, will waive any rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's and/or Transmission Owner's waiver of rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service over the affected Transmission Owner's

facilities in accordance with the terms and conditions of  
this Tariff.

**6 Reciprocity**

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to all the Transmission Owners on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under

the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

**7 Billing and Payment**

**7.1 Billing Procedure:** Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

**7.2 Interest on Unpaid Balances:** Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

**7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to

make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within ten (10) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may suspend service and initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request.

**7.4 Customer Billing Dispute:** The Transmission Customer shall notify Transmission Provider of a billing dispute by the day that payment is due pursuant to Section 7.1. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. All such payments shall be made by the day that payment is due pursuant to Section 7.1. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may suspend service and initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request.

**8 Accounting for Use of the Tariff**

The Transmission Provider and Owner(s) shall record the following amounts, as outlined below, where applicable.

**8.1 Reserved.**

**8.2 Study Costs and Revenues:** The Transmission Provider and each Transmission Owner shall include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred in the performance of any System Impact Studies or Facilities Studies which the Transmission Provider and/or the Transmission Owner(s) conduct or is(are) involved in to determine if construction of new facilities or upgrades are required for the uses of the Transmission Owner(s), including third party sales under the Tariff. The Transmission Provider and each Transmission Owner shall include in a separate operating revenue account or subaccount the revenues the Transmission Provider and Transmission Owner(s) received for its (their) role in conducting such System Impact Studies or Facilities Studies.

**9 Regulatory Filings**

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or Transmission Owner(s) to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power



Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, the Transmission Provider and the Transmission Owners are restricted in their ability to make certain changes as detailed in the SPP Membership Agreement.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

#### **10 Force Majeure and Indemnification**

**10.1 Force Majeure:** An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider, the Transmission Owner(s), nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

**10.2 Indemnification:** The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider and Transmission Owner(s) harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's or Transmission Owner's(s') performance of obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider or a Transmission Owner. If the Transmission Provider engages in negligence or intentional wrongdoing, but the Transmission Owner(s) does (do) not, that will not affect the indemnification of the Transmission Owner(s) under this Section 10.2 and vice-versa.

## **11 Creditworthiness**

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional

and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

The Transmission Provider shall develop creditworthiness standards and publish them on the OASIS.

## **12 Dispute Resolution Procedures**

**12.1 Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

**12.2 External Arbitration Procedures:** Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel, except that if more than two Parties are involved, the Parties shall agree on procedures to choose these two arbitrators. If the Parties are unable to agree, then the American Arbitration Association shall be asked to appoint the arbitrator(s) who must be knowledgeable in matters involving the electric power industry. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

**12.3 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction; provided, however, that final decisions with the Federal Government as one of the parties are nonbinding. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act.

The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

**12.4 Costs:** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (A) the cost of the arbitrator chosen by the Party or Parties to sit on the three member panel and its equal share of the cost of the third arbitrator chosen; or

(B) its equal share of the cost of the single arbitrator jointly  
chosen by the Parties.

**12.5 Rights Under The Federal Power Act:** Nothing in this section shall  
restrict the rights of any party to file a Complaint with the  
Commission under relevant provisions of the Federal Power Act.

## II. POINT-TO-POINT TRANSMISSION SERVICE

### Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

### 13 Nature of Firm Point-To-Point Transmission Service

**13.1 Term:** The minimum term of Firm Point-To-Point Transmission

Service shall be one day and the maximum term shall be specified in the Service Agreement.

**13.2 Reservation Priority:** Long-Term Firm Point-To-Point Transmission

Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction and relative impact on available transmission capability. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. This right of preemption only applies, however, if the longer term service

involves the same Points of Receipt and Delivery as the shorter term service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff or non-firm transmission service under Grandfathered Agreements. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

**13.3 Use of Firm Transmission Service by the Transmission Owners:** Each Transmission Owner will be subject to the rates, terms and



conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date of the Tariff or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled after the Effective Date of the Tariff.

**13.4 Service Agreements:** The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Transactions under the Short-Term Firm Point-To-Point Transmission Service Agreement shall be arranged by providing the information listed in Section 17.2 of the Tariff and on the confirmation sheet contained in Attachment Q. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

**13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1)

degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with a(the) Transmission Owner's(s') ability to meet prior firm contractual commitments to others, the relevant Transmission Owner(s) will be obligated to expand or upgrade its (their) Transmission System(s) pursuant to the terms of Section 15.4. The Transmission Customer must agree to pay the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent a system constraint can be relieved more economically by redispatching electric generating resources than through constructing Network Upgrades, the procedures in Attachment K shall apply, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

**13.6 Curtailment of Firm Transmission Service:** In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such System and the systems directly and indirectly connected with the Transmission System, Curtailments will be made on a non-

discriminatory basis to the transaction(s) that effectively relieve the constraint. The Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment R. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail (or cause to be curtailed) service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Owner's(s') Native Load Customers, and to transmission customers taking firm transmission service under Grandfathered Agreements. All Curtailments will be made on a non-discriminatory basis; however, Non-Firm Point-To-Point Transmission Service as well as any non-firm transmission service provided under Grandfathered Agreements shall be subordinate to Firm Point-To-Point Transmission Service. When the Transmission Provider determines that an electrical emergency exists on the Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider.

However, the Transmission Provider reserves the right to Curtail or to effect the Curtailment of, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other

unforeseen condition impairs or degrades the reliability of the Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the firm capacity used): 200% of the Firm Point-to-Point Transmission Service charge for the entire length of the reserved period but not exceeding one month.

This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. These penalty revenues shall reduce the Transmission Provider's administrative costs.

**13.7 Classification of Firm Transmission Service:**

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's

Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless (i) the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt, or (ii) the generating units or plants are in the same Control Area of a Transmission Owner in which case the units or plants also would be considered as a single Point of Receipt; provided, however, that generation which is dynamically scheduled shall be considered as part of the Control Area where it is physically located. In the event of a change in the ownership or control of generation resources previously aggregated as a single Point of Receipt under this provision, such generation may be disaggregated and treated as multiple Points of Receipt, provided that all other terms of this Tariff and the Service Agreement are met.

- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and

corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including Third-Party Sales by a Transmission Owner) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay the following penalty (in addition to the charges for all of the firm capacity used): 200% of the Firm Point-to-Point Transmission Service charge for the

entire length of the reserved period but not exceeding one month for the amount in excess of such reserved capacity. The Transmission Provider shall compensate the Transmission Owners for 100% of the Firm Point-to-Point Transmission Service charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs. For the amounts exceeding reserved capacity, the Transmission Customer also must replace losses as required by this Tariff.

**13.8 Scheduling of Firm Point-To-Point Transmission Service:** All scheduling practices and schedules submitted by Transmission Customers will comply with applicable North American Electric Reliability Council Policies and SPP Criteria. Transmission Customers shall submit all schedules electronically in a form specified by the Transmission Provider. Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider in accordance with the times in Attachment P. Schedules submitted after the applicable time specified on Attachment P will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within a Transmission Owner's service (or control) area with multiple requests for Transmission

Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be accommodated as provided in Attachment P. However, in the event of a system contingency such as a generation or transmission outage, or curtailment or interruption of transmission service, scheduling changes will be implemented as soon as practicable. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by the Delivering Party. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

#### **14 Nature of Non-Firm Point-To-Point Transmission Service**

**14.1 Term:** Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month.

However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so



that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

**14.2 Reservation Priority:** Non-Firm Point-To-Point Transmission

Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers, and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service and customers under other transmission tariffs or agreements taking network or firm point-to-point transmission service from the Transmission Owner(s). A higher priority will be assigned to reservations with a longer duration of service involving the same Points of Receipt and Delivery. In the event the Transmission System is constrained, competing requests of equal duration involving the same Points of Receipt and Delivery will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service; provided, however, this provision assigning priority based upon the highest price offered shall not affect the priority of transmission contracts not under this Tariff. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first

refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers and for network customers under Grandfathered Agreements involving the affected Transmission Owner(s) from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

**14.3 Use of Non-Firm Point-To-Point Transmission Service by the**

**Transmission Owner(s):** Each Transmission Owner will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date of the Tariff or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled after the Effective Date of the Tariff.

**14.4 Service Agreements:** The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service

Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Transactions under this Non-Firm Point-To-Point Transmission Service Agreement shall be arranged by providing the information on the confirmation sheet which is contained in Attachment Q. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

**14.5 Classification of Non-Firm Point-To-Point Transmission Service:**

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider and Transmission Owners undertake no obligation under the Tariff to plan the Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff.

In the event that a Transmission Customer (including Third-Party Sales by a Transmission Owner) exceeds its non-firm capacity reservation, the Transmission Customer shall pay the following penalty (in addition to the charges for all of the non-firm capacity used): 200% of the Non-Firm Point-to-Point Transmission

Service Charge for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. The Transmission Provider shall compensate the Transmission Owners for 100% of the Non-Firm Point-to-Point Transmission Service charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs. For the amounts exceeding the non-firm capacity reservation, the Transmission Customer must replace losses as required by this Tariff. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

**14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:** All scheduling practices and schedules submitted by Transmission Customers will be consistent with applicable North American Electric Reliability Council Policies and SPP Criteria. Transmission Customers shall submit all schedules electronically in a form specified by The Transmission Provider. Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider in accordance with the times in Attachment P. Schedules submitted after the applicable time specified in Attachment P will be accommodated if practicable.

Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within a Transmission Owner's service area (or Control Area) with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be accommodated in accordance with Attachment P. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by the Delivering Party. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

**14.7 Curtailment or Interruption of Service:** The Transmission Provider reserves the right to Curtail (or cause to be Curtailed), in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of the Transmission System or the systems directly or indirectly interconnected with the Transmission Provider's

Transmission System. The Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment R. The Transmission Provider reserves the right to Interrupt(or to effect the Interruption of), in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service under this Tariff or for firm transmission service provided by a Transmission Owner under a Grandfathered Agreement, (2) a request for Non-Firm Point-To-Point Transmission Service, from the same Point of Receipt to the same Point of Delivery, of greater duration under this Tariff or for non-firm transmission of greater duration provided by a Transmission Owner under a Grandfathered Agreement, (3) a request for Non-Firm Point-To-Point Transmission Service, from the same Point of Receipt to the same Point of Delivery, of equal duration with a higher price under this Tariff or for non-firm transmission of equal duration, from the same Point of Receipt to the same Point of Delivery, with a higher price provided by a Transmission Owner under a Grandfathered Agreement, or (4) transmission service for Network Customers from non-designated resources under this Tariff or under a Grandfathered Agreement. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or

reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service under this Tariff or firm transmission service provided by a Transmission Owner under Grandfathered agreements. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. In the event that the Transmission Customer fails to cease or reduce service in response to a

directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the non-firm capacity used): 200% of the Non-Firm Point-to-Point Transmission Service Charge for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. These penalty revenues shall reduce the Transmission Provider's administrative costs.

**15 Service Availability**

**15.1 General Conditions:** The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

**15.2 Determination of Available Transmission Capability:** A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transmission capability may not exist to accommodate a service request, the Transmission Provider will respond by offering to perform or cause to be performed a System Impact Study.



**15.3 Initiating Service in the Absence of an Executed Service**

**Agreement:** If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

**15.4 Obligation to Provide Transmission Service that Requires Expansion**

**or Modification of the Transmission System:** If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on the Transmission System, the Transmission Provider and the affected Transmission Owner(s) will use due diligence to expand or modify the Transmission System to

provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider and the affected Transmission Owner(s) will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities.

The obligation applies only to those facilities that the affected Transmission Owner(s) has (have) the right to expand or modify.

**15.5 Deferral of Service:** The Transmission Provider may defer providing service until construction is completed of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

**15.6 Other Transmission Service Schedules:** Eligible Customers receiving transmission service under Grandfathered Transactions may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

**15.7 Real Power Losses:** Real Power Losses are associated with all transmission service. The applicable Real Power Loss factors are as specified in the loss compensation matrices developed in accord with Attachment M. As stated on Schedules 7 and 8, the

Transmission Customer shall replace losses in accordance with Attachment M.

**16 Transmission Customer Responsibilities**

**16.1 Conditions Required of Transmission Customers: Point-To-Point**

Transmission Service shall be provided under this Tariff only if the following conditions are satisfied by the Transmission Customer:

- a. The Transmission Customer has pending a Completed Application for service;
- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- c. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and
- e. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

**16.2 Transmission Customer Responsibility for Third-Party Arrangements:**

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

**17 Procedures for Arranging Firm Point-To-Point Transmission Service**

**17.1 Application:** A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Southwest Power Pool, 415 North McKinley, 700 Plaza West, Little Rock, AR 72205-3020, at least sixty (60) days in advance of the calendar month in which service is to commence.

The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed in Section 17.2 on the Transmission Provider's OASIS.

**17.1a Time Requirements:** Attachment P lists the time requirements applicable to when the requests must be made, the evaluation of the requests, and the Transmission Customer responses.

**17.2 Completed Application:** A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;

- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, by law or by statute, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service; and

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

**17.3 Deposit:** A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month; provided, however, the Transmission Provider shall have the right to waive deposits on a nondiscriminatory basis for service requests of one month or less if the Transmission Provider determines that the Transmission Customer is creditworthy and if the dollar amount of the requested service is less than \$10,000. In addition, a Transmission Customer that is a SPP member shall not provide deposits if there has been a comparable adjustment to the working capital it provides SPP. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission

Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.



**17.4 Notice of Deficient Application:** If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service of the reasons for such failure within the applicable time period shown in Attachment P for responding to Applications. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

**17.5 Response to a Completed Application:** Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transmission capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer within the applicable times listed in Attachment P after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all

Completed Applications (including Applications by the Transmission Owner(s') own merchant function) and the timing of such responses must be made on a nondiscriminatory basis.

**17.6 Execution of Service Agreement:** Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer within the applicable time periods allowed to determine available capacity as shown in Attachment P after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement or the confirmation of a Completed Application, whichever is applicable. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, or to confirm a Completed Application (subject to completion of the System Impact Study), whichever is applicable, within the time frames shown in Attachment P will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

**17.7 Extensions for Commencement of Service:** The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by

paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

**18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service**

**18.1 Application:** Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to The Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS.

**18.2 Completed Application:** A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, by law or statute, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this

information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

**18.3 Timing of Requests and Responses Regarding Reservation of Non-Firm**

**Point-To-Point Transmission Service:** Attachment P lists the time requirements applicable to when the requests must be made, the evaluation of the requests, and the Transmission Customer responses. Requests for service received later than the applicable time prior to the day service is scheduled to commence will be accommodated if practicable.

**18.4 Determination of Available Transmission Capability:** Following

receipt of a tendered schedule, the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 15.2. Such determination shall be made in accordance with the applicable time periods set forth in Attachment P.

**19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**

**19.1 Notice of Need for System Impact Study:** After receiving a request

for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer

within the applicable time period allowed to determine available capacity shown in Attachment P. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study including any costs of the Transmission Owners where applicable. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

**19.2 System Impact Study Agreement and Cost Reimbursement:**

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible

for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be prorated among the Eligible Customers.

(iii) Each Transmission Owner shall pay the Transmission Provider for System Impact Studies that the Transmission Provider conducts on the Owner's behalf in instances where merchant employees of the Transmission Owner have requested transmission service, the same as any non-Transmission Owning customer.

**19.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider, in coordination with the appropriate Transmission Owner(s), will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is

unable to complete the required System Impact Study within such time period, the Transmission Provider shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it would use when completing studies for any Transmission Owner. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In these circumstances, in order for a request to remain a Completed Application, the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or confirm an accepted Application for service, whichever is applicable, within 15 days of completion of the System Impact Study, or the Application shall be deemed terminated and withdrawn.

**19.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the



Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider and any affected Transmission Owner(s) for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider in coordination with the appropriate Transmission Owner(s) will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider together with the affected Transmission Owner(s) are unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the

Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Within the time set out in Attachment P, the Transmission Customer shall execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

**19.5 Facilities Study Modifications:** Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider or the affected Transmission Owner(s) that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

- 19.6 Due Diligence in Completing New Facilities:** The Transmission Provider and the affected Transmission Owner(s) shall use due diligence to add necessary facilities or upgrade the Transmission System within a reasonable time. The Transmission Provider will not allow the upgrade to the existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.
- 19.7 Partial Interim Service:** If the Transmission Provider determines that there will not be adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 19.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of

required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider and affected Transmission Owner(s) for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within the time limits set forth in Attachment P from the time it receives the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider and affected Transmission Owner(s) agrees (agree) to provide the Eligible Customer with their best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider and affected Transmission Owner(s) for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

**20 Procedures if The Transmission Provider is Unable to Complete New  
Transmission Facilities for Firm Point-To-Point Transmission Service**

**20.1 Delays in Construction of New Facilities:** If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer and affected Transmission Owner(s) to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider and affected Transmission Owner(s) that is reasonably needed by the Transmission Customer to evaluate any alternatives.

**20.2 Alternatives to the Original Facility Additions:** When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider together with the affected Transmission Owner(s) shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission

Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

**20.3 Refund Obligation for Unfinished Facility Additions:** If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider and the affected Transmission Owner(s) through the time construction was suspended.

**21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities**

**21.1 Responsibility for Third-Party System Additions:** The Transmission Provider and the Transmission Owners shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider and the affected Transmission Owner(s) will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

**21.2 Coordination of Third-Party System Additions:** In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the affected Transmission Owner(s) in coordination with the Transmission Provider shall have the right to coordinate construction on its (their) own system(s) with the construction required by others. The Transmission Provider together with the affected Transmission Owner(s), after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider

shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before construction of new facilities will be initiated or resumed. Within sixty (60) days of receiving written notification by the Transmission Provider of the intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

## **22 Changes in Service Specifications**

**22.1 Modifications On a Non-Firm Basis:** The Transmission Customer taking Firm Point-To-Point Transmission Service may request the provision of transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement for Long-Term Firm Transmission Service or the confirmed Application for Short-Term Transmission Service ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-to-Point Transmission Service charge (except as provided in Section 22.1a) or executing a new Service Agreement for Long-Term Firm Transmission Service or submitting a new Application for Short-Term Firm Transmission Service, subject to the following conditions.



- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or under any other transmission tariff or agreement where the service is being provided by the Transmission Owner or by the Transmission Owner on behalf of its (their) Native Load Customers.
- (b) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement for Long-Term Firm Transmission or Application for Short-Term Firm Transmission Service under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement for Long-Term Firm Transmission or Application for Short-Term Firm Transmission Service in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to

transmission service on a non-firm basis over Secondary  
Receipt and Delivery Points.

**22.1a Additional Charge To Prevent Abuse:** If a Transmission Customer making the modifications in Section 22.1 takes service over a transmission path that costs more than the path the Transmission Customer initially reserved, then for the service the Transmission Customer schedules, the Transmission Customer shall pay in addition to the amounts based on its initial reservation the additional costs (i.e., the difference between the zonal rates) associated with the new path. In addition, the Transmission Customer shall replace losses (in accordance with Attachment M) and pay for any redispatch costs (as determined in accordance with Attachment K) based on the actual transmission path used.

**22.2 Modification On a Firm Basis:** Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement for Long-Term Firm Transmission Service or confirmed Application for Short-Term Firm Transmission Service. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement for Long-Term

Firm Transmission Service or confirmed Application for Short-Term Firm Transmission Service.

**23 Sale or Assignment of Transmission Service**

**23.1 Procedures for Assignment or Transfer of Service:** Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the maximum rate on file under this Tariff at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's(s') cost of expansion.

If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement for Long-Term Firm Transmission Service or original confirmed Application for Short-Term Firm Transmission Service, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller.

A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of

service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

**23.2 Limitations on Assignment or Transfer of Service:** If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement for Long-Term Firm Transmission Service or original confirmed Application for Short-Term Firm Transmission Service, the Transmission Provider will consent to such change subject to the provisions of the Tariff and the Transmission Customer's or the Assignee's agreement to pay any additional charges consistent with Section 22 of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Owner's(s') generation, transmission, or distribution systems. The Assignee shall pay the Transmission Provider for the costs of performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

**23.3 Information on Assignment or Transfer of Service:** In accordance with Section 4, Resellers may use Transmission Provider's OASIS to post transmission capacity available for resale.

**24 Metering and Power Factor Correction at Receipt and Delivery Points(s)**

**24.1 Transmission Customer Obligations:** Unless otherwise agreed, the Transmission Customer shall be responsible for the cost of installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Unless otherwise specified in an agreement for the construction of facilities, such equipment installed on the Transmission Customer's system shall remain the property of the Transmission Customer. Unless otherwise specified in an agreement for the construction of facilities, such equipment installed on the Transmission Owner's(s) system shall remain the property of the Transmission Owner(s).

**24.2 Transmission Provider Access to Metering Data:** The Transmission Provider or its agent shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

**24.3 Power Factor:** Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range specified by the Transmission Provider, in consultation with the

appropriate Transmission Owners, pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

**25 Compensation for Transmission Service**

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). In addition the Transmission Customer also shall pay any applicable Ancillary Service Costs and Wholesale Distribution Service charges.

**26 Stranded Cost Recovery**

This Tariff does not affect in any way the right of any Transmission Owner to seek and receive stranded cost recovery or the right of anyone to oppose such stranded cost recovery. Thus, the Transmission Owner(s) may seek to recover stranded costs from the User(s) in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Owner(s) must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act. If the Commission approves stranded cost charges to be recovered through schedules to be implemented by the Transmission Provider, the Transmission Provider as agent for the Transmission Owner(s) shall charge and collect the appropriate charge(s) from the relevant User(s) and distribute the appropriate amounts directly to the relevant Transmission Owner(s).

**27 Compensation for New Facilities and Redispatch Costs**

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the recovery of such costs shall be governed by Attachment J. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved more economically by redispatching electric generating resources than by building new facilities or upgrading existing facilities to eliminate such constraints, redispatch will be handled in accordance with Attachment K. The Transmission Customer shall be responsible for the redispatch costs as detailed in Schedule 7 and as determined by the procedures in Attachment K.

### **III. NETWORK INTEGRATION TRANSMISSION SERVICE**

#### **Preamble**

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Owners utilize the Transmission System to serve their Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

#### **28 Nature of Network Integration Transmission Service**

**28.1 Scope of Service:** Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in a Transmission Owner's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.



**28.2 Transmission Provider and Transmission Owners Responsibilities:**

The Transmission Provider and Transmission Owners will plan, operate, and cause to be maintained its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration Transmission Service over the Transmission System. The Transmission Owners, on behalf of their Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transmission capability. The Transmission Provider shall include the Network Customer's Network Load in Transmission System planning and shall, consistent with Good Utility Practice, endeavor to cause to be constructed and placed into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Owner(s') delivery of electric generating and purchased resources to Native Load Customers.

**28.3 Network Integration Transmission Service:** The Transmission Provider will provide firm transmission service over the Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the

Transmission Owner(s') use of the Transmission System to reliably serve Native Load Customers.

**28.4 Secondary Service:** The Network Customer may use the Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, with no additional charges imposed under Schedules 7, 8, or 9. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff or any non-firm point-to-point service under any other transmission tariff or agreement where the service is being provided by a Transmission Owner.

**28.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The applicable Real Power Loss factor is the factor for the Zone in which the Network Load is located. These loss factors are stated in Appendix 1 to Attachment M. The Network Customer is responsible for replacing losses associated with all transmission service as determined in accordance with Attachment M.

**28.6 Restrictions on Use of Service:** The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network

Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System except for service where the purchaser is a Network Customer of the Transmission Provider.

**29 Initiating Service**

**29.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider in coordination with the affected Transmission Owner(s) complete(s) the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

**29.2 Application Procedures:** An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a

deposit approximating the charge for one month of service; provided, however, the Transmission Provider shall have the right to waive deposits on a nondiscriminatory basis for service requests of one month or less if the Transmission Provider determines that the Transmission Customer is creditworthy and if the dollar amount of the requested service is less than \$10,000. In addition, a Transmission Customer that is an SPP Member shall not provide deposits if there has been a comparable adjustment to the working capital it provides SPP. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority.

Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load

and resource requirements beginning with the first year after the service is scheduled to commence;

- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
  
- (v) A description of Network Resources (current and 10-year projection), which shall include, for each Network Resource:
  - Unit size and amount of capacity from that unit to be designated as Network Resource
  - VAR capability (both leading and lagging) of all generators
  - Operating restrictions
    - Any periods of restricted operations throughout the year
    - Maintenance schedules
    - Minimum loading level of unit
    - Normal operating level of unit
    - Any must-run unit designations required for system reliability or contract reasons
  - Approximate variable generating cost (\$/MWH) for redispatch computations
  - Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource
  - Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;
  
- (vi) Description of Eligible Customer's transmission system:
  - Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider

- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Areas with other Control Areas; and

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or

revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

**29.3 Technical Arrangements to be Completed Prior to Commencement of**

**Service:** Network Integration Transmission Service shall not commence until the Transmission Provider, the affected Transmission Owner(s), and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider and the affected Transmission Owner(s) shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

**29.4 Network Customer Facilities:** The provision of Network Integration

Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or

installing all facilities on the Network Customer's side of each such delivery point or interconnection.

**29.5 Filing of Service Agreement:** The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

**30 Network Resources**

**30.1 Designation of Network Resources:** Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

**30.2 Designation of New Network Resources:** The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section 29.



- 30.3 Termination of Network Resources:** The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.
- 30.4 Operation of Network Resources:** The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Owner's(s') Control Area(s) such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.
- 30.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 and in accordance with Attachment K. The Network Customer also shall submit an offer to redispatch in accordance with Attachment K, Part I, with the charges subject to approval by the Commission where appropriate. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the

Transmission Owner(s). Transmission Owners and Network Customers will not have any redispatch obligation to sustain Non-Firm Transmission Service under this provision.

**30.6 Transmission Arrangements for Network Resources Not Physically**

**Interconnected With The Transmission Provider:** The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

**30.7 Limitation on Designation of Network Resources:** The Network

Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

**30.8 Use of Interface Capacity by the Network Customer:** There is no

specific limitation upon a Network Customer's use of the Transmission System at the interface(s) to the Control Area (where the Network Customer's load is located) to integrate the Network Customer's Network Resources (or substitute economy purchases)

with its Network Loads. However, a Network Customer's use of the interface capacity with other transmission systems may not exceed the Network Customer's Load.

**30.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of a Transmission Owner to serve the Transmission Owner's power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider and/or Transmission Owners. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties. This crediting provision does not apply to Network Customer transmission facilities that are reflected in the rates for service under this Tariff.

**31.1 Network Load:** The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

**31.2 New Network Loads Connected With the Transmission Provider:** The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System.

A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider together with affected Transmission Owner(s) will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

**31.3 Network Load Not Physically Interconnected with the Transmission Provider:** This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission System. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission System, the Network Customer shall have the option of (1) electing to

include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

**31.4 New Interconnection Points:** To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

**31.5 Changes in Service Requests:** Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities caused to be constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

**31.6 Annual Load and Resource Information Updates:** The Network

Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

**32 Additional Study Procedures For Network Integration Transmission Service Requests**

**32.1 Notice of Need for System Impact Study:** After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement

pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study including any costs of the Transmission Owners where applicable. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

**32.2 System Impact Study Agreement and Cost Reimbursement:**

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) Each Transmission Owner shall pay the Transmission Provider for System Impact Studies that the Transmission Provider conducts on the Transmission Owner's behalf, the same as any non-Transmission Owning Customer.

**32.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider, in coordination with the appropriate Transmission Owner(s), will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The



Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for Transmission Owners. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

**32.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider and any affected Transmission Owner(s) for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within

fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider in coordination with the affected Transmission Owner(s) will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider together with the affected Transmission Owner(s) are unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30)

days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

**33 Load Shedding and Curtailments**

- 33.1 Procedures:** Prior to the Service Commencement Date, the Transmission Provider, in coordination with the affected Transmission Owner(s), and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with the Transmission System. The Parties including the affected Transmission Owner(s) will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers and affected Transmission Owners in a timely manner of any scheduled Curtailment.
- 33.2 Transmission Constraints:** During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission System, the Transmission Provider

will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission System. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Owners' resources on a least cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Owners' use of the Transmission System on behalf of their Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

**33.3 Cost Responsibility for Relieving Transmission Constraints:**

Whenever the Transmission Provider implements least cost redispatch procedures in response to a transmission Constraint, all Transmission Owners and Network Customers, as well as all other firm transmission service customers, will bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

**33.4 Curtailments of Scheduled Deliveries:** If the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties and the affected Transmission Owner(s) shall Curtail such schedules in accordance with the Network

Operating Agreement and pursuant to the Transmission Loading Relief procedures specified in Attachment R.

- 33.5 Allocation of Curtailments:** The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the affected Transmission Owner(s) and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Owner's schedules under similar circumstances.
- 33.6 Load Shedding:** To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the affected Transmission Owner(s) and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.
- 33.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's or Transmission Owner's part for the purpose of making necessary adjustments to, changes

in, or repairs on the Transmission Owner's lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Owner's use of the Transmission System on behalf of its (their) Native Load Customers. In the event that the Network Customer (or any Transmission Owner that is not a Network Customer with regard to its bundled load) fails to respond to established Load Shedding and Curtailment procedures or to cease or reduce service in response to a directive by the Transmission Provider, the Network Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the service used): 200% of the Network Integration Transmission

Service charge for the applicable month. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. The Transmission Provider shall compensate the Transmission Owners for 100% of the Network Integration Transmission Service charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs.

#### **34 Rates and Charges**

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

- 34.1 Monthly Demand Charge:** The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Annual Transmission Revenue Requirement specified in Attachment H for each Zone in which the Network Customer's Network Load is physically located. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, the Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Annual Transmission Revenue Requirement specified in Attachment H for the Zone that is the basis for charges under Schedule 9.

- 34.2 Determination of Network Customer's Monthly Network Load:** The Network Customer's monthly Network Load is its hourly load (60 minute, clock-hour); provided, however, the Network Customer's monthly Network Load will be its hourly load coincident with the monthly peak of the Zone where the Network Customer load is physically located. Where a Network Customer has Network Load in more than one Zone, the monthly Network Load will be determined separately for each Zone. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, the Network Customer's monthly Network Load will be its hourly load coincident with the monthly peak of the Zone that is the basis for charges under Schedule 9.
- 34.3 Determination of Transmission Provider's Monthly Zone Transmission Load:** The Transmission Provider's monthly Transmission System load shall be determined for each Zone on a non-coincident basis. The Transmission Provider's monthly Zone transmission load is the Zone's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.
- 34.4 Redispatch Charge:** The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Attachment K. To the extent that the Transmission Provider incurs an obligation



to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

**34.5 Stranded Cost Recovery:** This Tariff does not affect in any way the right of any Transmission Owner to seek and receive stranded cost recovery or the right of anyone to oppose such stranded cost recovery. Thus, the Transmission Owner(s) may seek to recover stranded costs from the User(s) in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Owner(s) must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act, if FERC jurisdictional. If the Commission approves stranded cost charges to be recovered through schedules to be implemented by the Transmission Provider, the Transmission Provider as agreed shall charge and collect the appropriate charge(s) from the relevant User(s) and distribute the appropriate amounts directly to the relevant Transmission Owner(s).

**34.6 SPP Costs:** The Network Customer shall pay SPP'S administrative costs in accordance with Schedule 1.

### **35 Operating Arrangements**

**35.1 Operation under the Network Operating Agreement:** The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

**35.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties, including the affected Transmission Owner(s), to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric

Reliability Council (NERC) and SPP Criteria, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC Policies and SPP Criteria. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

**35.3 Reserved.**

**36. Scheduling**

Each Network Customer shall submit an energy schedule daily for flows consistent with the times for energy scheduling for Daily Firm Point-to-Point Transmission Service shown on Attachment P. Each Network Customer also shall provide day ahead generating unit commitment schedules.

IV. **SPECIAL RULES ON USE OF TARIFF**

37. **During Transition Period**

37.1 **Service Not Required for Bundled Customers or Customers Under**

**Retail Access Programs:** A Transmission Owner shall not be obligated to take Network Integration Transmission Service or Point-to-Point Transmission Service from the Transmission Provider in accordance with this Tariff for (1) bundled retail load not having a choice of power suppliers or (2) for bundled retail load it continues to serve that had the right to choose a different power supplier under a state retail access program or legislation and that was retail load served by the Transmission Owner prior to the retail load receiving the right to choose a different supplier.

37.2 **Availability of Network Integration Transmission Service:** All

Transmission Owners shall have the option of electing Network Integration Transmission Service for retail loads or customers whether or not such loads or customers have the right to choose a different power supplier during the Transition Period.

37.3 **Unbundled Wholesale:** A Transmission Owner shall be obligated to

take Network Integration Transmission Service or Point-to-Point Transmission Service from the Transmission Provider in accordance with this Tariff for any sales to wholesale load the Commission requires to be unbundled unless such service is arranged by another entity or is pursuant to a Grandfathered Agreement.

**37.4 Grandfathered Transactions:** During the Transition Period, transmission provided pursuant to Grandfathered Agreements shall continue to term in accordance with the provisions of the Grandfathered Agreement rather than under this Tariff unless the parties agree otherwise. Grandfathered Transactions are defined in Section 1.14a.

**38 After Transition Period**

**38.1 Applicability to Retail Load Having Choice:** Beginning on the first day after the end of the Transition Period, this Tariff shall be applicable to all transmission service over the Transmission System provided for retail loads having the right to choose a different power supplier except for deliveries made pursuant to Grandfathered Agreements.

**38.2 Applicability to Retail Load Not Having Choice:** Beginning at the end of the fifth year after the last day of the Transition Period, the Transmission Owner shall take Network Integration Transmission Service or Point-To-Point Transmission Service from the Transmission Provider in accordance with this Tariff for sales to retail customers not having the right to choose a different power supplier.

**38.3 Grandfathered Agreements:** Transmission Service provided pursuant to Grandfathered Agreements shall continue to term in accordance with the provisions of the Grandfathered Agreements rather than

under this Tariff unless the parties agree otherwise.

Grandfathered Agreements are defined in Section 1.14a.

**SCHEDULE 1**

**Scheduling and Tariff Administration Service**

The Transmission Provider shall provide Scheduling and Tariff Administration Service to carry out its responsibilities under this Tariff. The Transmission Customer must purchase this service from the Transmission Provider. The charges for this Service are to be developed as shown below.

Because the Transmission Provider is not a Control Area, individual Control Areas within the Transmission System may provide related services for the movement of power within, into, or out of the respective Control Area. In such instances the Transmission Provider will pass through to the Transmission Customer the actual charges for each transaction without any markup. The Transmission Provider shall pass through the revenues it receives for this service to the Control Area operator providing the service. Each Control Area shall maintain a schedule showing its cost of providing this service. For the Commission regulated Transmission Owners, these charges shall be pursuant to Commission approved schedules.

**Charges for Scheduling and Tariff Administration Service:**

1. Administration Charge:

An administrative charge shall be applied to all capacity reserved under this Tariff to cover the Transmission Provider's expenses related to administration of this Tariff. For Point-To-Point Transmission Service this charge shall be up to \$0.20 per MW per hour for all capacity reserved. For Network Integration Transmission Service this charge shall be up to \$0.05 per MW per hour for first 24 months after the Effective Date and up to \$0.20 per MW per hour thereafter for the applicable monthly Zonal Demand under Schedule 9 for all hours of the applicable month.

The Transmission Provider shall project expenses based on its budget for a twelve month period and shall divide by twelve to derive the monthly charge. The Transmission Provider shall reconcile actuals to budgeted figures and shall adjust future monthly charges to reflect either over or under recoveries to allow the the Transmission Provider to recover its actual costs. In projecting and recovering its expenses, the Transmission Provider shall recover 80% of its total expenses through this charge up to the cap of \$0.20 per MW per hour for all capacity reserved.

2. Transmission Service Request Charges:

The Transmission Customer shall pay the Transmission Provider a charge for each new Transmission Service Request as follows:

(i) For Firm Point-To-Point Transmission Service:

Reservations less than one month: \$100

Reservations one month or longer: \$200

(ii) For Non-Firm Point-To-Point Transmission Service:

Each Reservation: \$0

However, the Transmission Customer shall have this fee rebated to it once the Transmission Customer becomes legally obligated to pay the applicable Firm Point-to-Point Transmission Service charges under this Tariff or if the requested Firm Point-to-Point Transmission Service is denied by the Transmission Provider.

3. Bad Debt Expense:

The Transmission Provider shall include in its charges under this Schedule a component to cover estimated bad debts. The Transmission Provider shall reconcile actuals to estimates and shall adjust future monthly charges to reflect either over or under recoveries.



**SCHEDULE 2**

**Reactive Supply and Voltage Control from Generation Sources Service**

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities under the control of the Control Area operator(s) are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation Sources Service must be provided for each transaction on the Transmission System. The amount of Reactive Supply and Voltage Control from Generation Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation Sources Service is to be provided by the Transmission Provider by making arrangements with the Control Area operator(s) that perform(s) this service for the Transmission System. The Transmission Customer must purchase this service from the Transmission Provider. The charges for such service will be based on the rates set forth below.

For the purposes of determining the charge applicable to transactions under this Tariff where the load is located within the SPP Region, the service under this Schedule 2 will be provided by the Control Area operator within the SPP Region where the load is located. The charge collected through this schedule shall represent a pass through of the costs charged by that Control

Area operator. The Transmission Provider shall pass through the revenues it receives for the service to the Control Area operator providing the service. Each Transmission Owner or User owning generation that can provide the service under this Schedule shall offer the service and maintain publicly available and posted schedules showing its cost of providing such service.

In instances where the load is located outside the SPP Region, the charge for service under this Schedule 2 shall be an average rate. The average rate charged each month shall be calculated based on the weighted average of the Transmission Owners' and Users' Reactive Supply and Voltage Control from Generator Source rates effective for that month based on MVar capability of the generators relevant to the provision of this service. The Transmission Provider shall distribute revenues to generation owners based on the MVar capability of the generators relevant to the provision of the services.

**SCHEDULE 3**

**Regulation and Frequency Response Service**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Control Area operator that performs this function for the Transmission Provider. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. Unless the Transmission Customer makes alternative comparable arrangements, the Transmission Provider will obtain this service from the affected Control Area operators, or elsewhere, where approved, and the Transmission Customer shall pay the Transmission Provider for this service when the Transmission Provider provides the services to the Transmission Customer. Charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator or other Suppliers. The Transmission Provider shall pass through the revenues it receives for this service to the Control Area operator or other suppliers providing this service. Each Transmission Owner or User owning generation that can provide the service under this Schedule

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shall offer this service and maintain publicly available and posted schedules showing the charges for such service.

**SCHEDULE 4**

**Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. Unless the Transmission Customer makes alternative comparable arrangements, the Transmission Provider will obtain this service from the affected Control Areas or elsewhere, where appropriate, and the Transmission Customer shall pay the Transmission Provider for this service when the Transmission Provider provides this service to the Transmission Customer. Charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator or other suppliers.

The Transmission Provider shall pass through the revenues it receives for this service to the Control Area operator or other suppliers providing the service. Each Transmission Owner or User owning or controlling dispatchable generation that can provide the Service under this Schedule shall offer this service and maintain publicly available and posted schedules showing the charges for such service.

**SCHEDULE 5**

**Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. Unless the Transmission Customer makes alternative comparable arrangements, the Transmission Provider will obtain the service from the affected Control Areas, and the Transmission Customer shall pay the Transmission Provider for this service when the Transmission Provider provides this service to the Transmission Customer. Charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator or other suppliers. The Transmission Provider shall pass through the revenues it receives for this service to the Control Area operator or other supplier providing the service. Each Transmission Owner or User owning or controlling dispatchable generation that can provide the service under this Schedule shall offer this service and maintain publicly available and posted schedules showing the charges for such service.

**SCHEDULE 6**

**Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. Unless the Transmission Customer makes alternative comparable arrangements, the Transmission Provider will obtain this service from the affected Control Areas, and the Transmission Customer shall pay the Transmission Provider for this service when the Transmission Provider provides this service to the Transmission Customer. Charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator or other supplier. The Transmission Provider shall pass through the revenues it receives for this service to the Control Area operator or other suppliers providing the service.

Each Transmission Owner or User owning or controlling dispatch of generation that can provide the Service under this Schedule shall offer this service and maintain publicly available and posted schedules showing the charges for such service.

**SCHEDULE 7**

**Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below in addition to other applicable charges specified in the Tariff. All effective rates under this schedule shall be posted on the SPP OASIS.

**1. Zonal Rates:** The Transmission Customer shall pay the zonal rate (per kW of reserved capacity) based upon the Zone where the load is located for Firm Point-to-Point Transmission Service where the generation source is outside the SPP Region and the load is located within the SPP Region and for Firm Point-to-Point Transmission Service where both the generation source and the load are located within the SPP Region. For Firm Point-to-Point Transmission Service where the generation source is located within the SPP Region and the load is located outside of the SPP Region, and for Firm Point-to-Point Transmission Service where both the generation source and the load are located outside of the SPP Region, the Transmission Customer shall pay the zonal rate (per kW of reserved capacity) for the Zone interconnected with the Control Area, external to the SPP Region, that is the designated Point of Delivery. Where there is more than one Zone interconnected with such Control Area, the lowest zonal rate of the interconnected Zones is applicable. The zonal rates are stated in Attachment T.

The Zones are as follows:



- Zone 1: Central & South West Corporation, Inc. (Public Service Company of Oklahoma and Southwestern Electric Power Company)
- Zone 2: Cleco Corporation
- Zone 3: City Utilities of Springfield, Missouri
- Zone 4: Empire District
- Zone 5: Grand River Dam Authority
- Zone 6: Kansas City Power and Light Company
- Zone 7: Oklahoma Gas & Electric Company
- Zone 8: Mid-West Energy
- Zone 9: Missouri Public Service
- Zone 10: Southwestern Power Administration
- Zone 11: Southwestern Public Service
- Zone 12: Sunflower Electric Cooperative
- Zone 13: Western Farmers Electric Cooperative
- Zone 14: Western Resources, Inc. (Kansas Gas & Electric and Western Resources)
- Zone 15: West Plains Energy

No changes in Zones shall be made without submitting a filing to the Commission.

**2. Caps:** The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the weekly rate times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 3. Redispatch Costs:** The redispatch costs shall be calculated in accordance with the formula and protocols shown on Attachment K. The Transmission Provider shall provide an estimate of such redispatch costs before service begins.
- 4. Losses:** The Transmission Customer shall replace losses determined in accordance with Attachment M.
- 5. Direct Assignment Costs:** Where a System Impact and/or Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule and Tariff. The annual costs of the facility shall be calculated by multiplying the levelized fixed charge rate of the Transmission Owner by the nondepreciated cost of the facility. Each month the Transmission Customer shall pay a charge based on such annual costs divided by twelve. Any such charge will be filed with the Commission.
- 6. Wholesale Distribution Service:** Where Wholesale Distribution Service is provided to effectuate Firm Point-to-Point Transmission Service, the Transmission Customer shall pay all charges levied pursuant to the Wholesale Distribution Service Agreement and Schedule 10.

**SCHEDULE 8**

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below in addition to other applicable charges specified in the Tariff. All effective rates under this schedule shall be posted on the SPP OASIS.

**1. Zonal Rates:** The Transmission Customer shall pay the zonal rate (per KW of reserved capacity) based upon the Zone where the load is located for Non-Firm Point-to-Point Transmission Service where the generation source is outside the SPP Region and the load is located within the SPP Region and for Non-Firm Point-to-Point Transmission Service where both the generation source and the load are located within the SPP Region. For Non-Firm Point-to-Point Transmission Service where the generation source is located within the SPP Region and the load is located outside of the SPP Region, and for Non-Firm Point-to-Point Transmission Service where both the generation source and the load are located outside of the SPP Region, the Transmission Customer shall pay the zonal rate (per KW of reserved capacity) for the Zone interconnected with the Control Area, external to the SPP Region, that is the designated Point of Delivery. Where there is more than one Zone interconnected with such Control Area, the lowest zonal rate of the interconnected Zones is applicable. The zonal rates are stated in Attachment T.

The Zones are as follows:

- Zone 1: Central & South West Corporation, Inc. (Public Service Company of Oklahoma and Southwestern Electric Power Company)
- Zone 2: Cleco Corporation
- Zone 3: City Utilities of Springfield, Missouri
- Zone 4: Empire District
- Zone 5: Grand River Dam Authority
- Zone 6: Kansas City Power and Light Company
- Zone 7: Oklahoma Gas & Electric Company
- Zone 8: Mid-West Energy
- Zone 9: Missouri Public Service
- Zone 10: Southwestern Power Administration
- Zone 11: Southwestern Public Service
- Zone 12: Sunflower Electric Cooperative
- Zone 13: Western Farmers Electric Cooperative
- Zone 14: Western Resources, Inc. (Kansas Gas & Electric and Western Resources)
- Zone 15: West Plains Energy

No changes in Zones shall be made without submitting a filing to the Commission.

**2. Caps:** The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the weekly rate times the highest amount

in kilowatts of Reserved Capacity in any day during such week. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the daily rate times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the weekly rate above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**3. Redispatch Costs:** The redispatch costs shall be calculated in accordance with the formula and protocols shown on Attachment K. The Transmission Provider shall provide an estimate of such redispatch costs before service begins.

**4. Discounts:** The Transmission Provider may offer discounts under this Schedule. Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same Point(s) of Delivery on the Transmission System. In

offering discounts, the Transmission Provider's goal shall be to maximize transmission revenues.

**5. Losses:** The Transmission Customer shall replace losses determined in accordance with Attachment M.

**6. Wholesale Distribution Service:** Where Wholesale Distribution Service is provided to effectuate Non-Firm Point-to-Point Transmission Service, the Transmission Customer shall pay all charges levied pursuant to the Wholesale Distribution Service Agreement and Schedule 10.

**SCHEDULE 9**

**Network Integration Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Network Integration Transmission Service at the applicable charges set forth below in addition to other applicable charges specified in the Tariff.

**1. Zonal Rates:** The Transmission Customer taking Network Integration Transmission Service shall pay a monthly demand charge for the Zone where the load is located. Each month, the Transmission Customer shall pay the Transmission Provider the product of the applicable monthly zonal Demand Charge, determined in accordance with Section 34.1, multiplied by the Transmission Customer's monthly Network Load, determined in accordance with Section 34.2. If a Transmission Customer has load in multiple Zones, the Transmission Customer shall pay the monthly demand charge for each Zone in which its load is located (i.e. the rate for each Zone shall be multiplied by the Transmission Customer's monthly Network Load in that Zone and the sum of the calculation for each applicable Zone shall be the total charges paid by the Transmission Customer). For load not physically interconnected with the Transmission System designated as Network load pursuant to Section 31.3, the Network Customer shall pay the zonal Demand Charge for the Zone interconnected with the Control Area, external to the SPP Region, that is the designated Point of Delivery. Where there is more than one Zone interconnected with such Control Area, the lowest zonal Demand Charge of the interconnected Zones is

applicable. The annual revenue requirements of each Zone is stated in Attachment H.

The Zones are as follows:

- Zone 1: Central & South West Corporation, Inc. (Public Service Company of Oklahoma and Southwestern Electric Power Company)
- Zone 2: Cleco Corporation
- Zone 3: City Utilities of Springfield, Missouri
- Zone 4: Empire District
- Zone 5: Grand River Dam Authority
- Zone 6: Kansas City Power and Light Company
- Zone 7: Oklahoma Gas & Electric Company
- Zone 8: Mid-West Energy
- Zone 9: Missouri Public Service
- Zone 10: Southwestern Power Administration
- Zone 11: Southwestern Public Service
- Zone 12: Sunflower Electric Cooperative
- Zone 13: Western Farmers Electric Cooperative
- Zone 14: Western Resources, Inc. (Kansas Gas & Electric and Western Resources)
- Zone 15: West Plains Energy

No changes in Zones shall be made without submitting a filing to the Commission.



- 2. Redispatch Costs:** The redispatch costs shall be calculated in accordance with the formula and protocols shown on Attachment K. The Transmission Provider shall provide an estimate of such redispatch costs before service begins.
- 3. Losses:** The Transmission Customer shall replace losses determined in accordance with Attachment M.
- 4. Direct Assignment Costs:** Where a System Impact and/or Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule and Tariff. The annual costs of the facility shall be calculated by multiplying the levelized fixed charge rate of the Transmission Owner by the nondepreciated cost of the facility. Each month the Transmission Customer shall pay a charge based on such annual costs divided by twelve.
- 5. Wholesale Distribution Service:** Where Wholesale Distribution Service is provided to effectuate Network Integration Transmission Service, the Network Customer shall pay all charges levied pursuant to the Wholesale Distribution Service Agreement and Schedule 10.

**SCHEDULE 10**

**Wholesale Distribution Service**

Wholesale Distribution Service will be provided by the individual Transmission Owners as necessary to effectuate a transaction under this Tariff. The transaction-specific information, including all customer-specific rates and charges, will be set forth in the Service Agreement between the Transmission Provider and the Transmission Customer for the associated service being provided pursuant to the Tariff. All rates and charges for Wholesale Distribution Service shall be on file with the appropriate agency as required by law or regulation. To the extent that a Service Agreement containing provisions for Wholesale Distribution Service is required to be filed with the Commission, the Transmission Provider, in consultation with the appropriate Transmission Owner, shall provide along with the filing, adequate cost support to justify the customer-specific rates and charges being assessed thereunder.

Wholesale Distribution Service will be provided subject to the same scheduling deadlines and procedures for alternative dispute resolution as apply to the associated service. Unless otherwise specified, the provision of Wholesale Distribution Service will commence on the same day as service for the associated transaction, and shall terminate on the same day as service for the associated transaction.

**ATTACHMENT A**

**Form Of Service Agreement For Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Southwest Power Pool, Inc. ("The Transmission Provider"), and \_\_\_\_\_ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by The Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to The Transmission Provider an Application deposit in the amount of \$\_\_\_\_\_, in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by The Transmission Provider and the Transmission Customer.
- 5.0 The Transmission Customer agrees to supply information The Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

6.0 The Transmission Provider, as agent for the Transmission Owners, agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

7.0 To the extent necessary to effectuate any transaction entered into pursuant to this Service Agreement, the following Transmission Owner(s) shall provide Wholesale Distribution Service over Distribution Facilities:

8.0 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.

Southwest Power Pool :

\_\_\_\_\_  
415 N. McKinley, 700 Plaza West  
Little Rock, AR 72205

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.0 The Tariff is incorporated herein and made a part hereof.

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IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Southwest Power Pool :

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

Specifications For Long-Term Firm Point-To-Point  
Transmission Service

1.0 Term of Transaction: \_\_\_\_\_

Start Date: \_\_\_\_\_

Termination Date: \_\_\_\_\_

2.0 Description of capacity and energy to be transmitted by Transmission  
Provider including the electric Control Area in which the transaction  
originates.

\_\_\_\_\_

3.0 Point(s) of Receipt: \_\_\_\_\_

Delivering Party: \_\_\_\_\_

4.0 Point(s) of Delivery: \_\_\_\_\_

Receiving Party: \_\_\_\_\_

5.0 Maximum amount of capacity and energy to be transmitted (Reserved  
Capacity): \_\_\_\_\_

6.0 Designation of party(ies) subject to reciprocal service obligation:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7.0 Name(s) of any Intervening Systems providing transmission service:

\_\_\_\_\_

\_\_\_\_\_

8.0 Service under this 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: \_\_\_\_\_  
\_\_\_\_\_

8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_  
\_\_\_\_\_

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_  
\_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**ATTACHMENT B**

**Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Southwest Power Pool, Inc. ("The Transmission Provider"), and \_\_\_\_\_ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by The Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by The Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information The Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider, as agent for the Transmission Owners, agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 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.

Southwest Power Pool :

\_\_\_\_\_  
415 N. McKinley, 700 Plaza West  
Little Rock, AR 72205

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Southwest Power Pool :

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

**ATTACHMENT C**

**Methodology To Assess Short-Term Available Transmission Capability**

The Transmission Provider will respond to a valid Application for Short-Term transmission service under this Tariff by performing studies pursuant to this Attachment C to assess whether sufficient transmission capability would be available to accommodate the service requested in the Application. The assessment of Available Transmission Capability to sustain Long-Term Firm Point-To-Point Transmission Service will be conducted pursuant to the Southwest Power Pool Coordinated Planning Criteria, Attachment O.

These studies will be made using a flow based approach to determine the capability of the interconnected network to accommodate the request for transmission service. A flow based approach determines available transmission capability (ATC) of constrained facilities. Constrained facility ATC represents capacity remaining on constrained facilities after reduction for base flows, previously approved transmission service requests, and a margin (if appropriate). Requests for transmission service are made on a Point-To-Point basis from source(s) to sink(s). However, ATC is determined on a constrained facility basis. In order to evaluate a transmission service request, response factors are used to decrement ATC of constrained facilities.

If ATC of all constrained facilities is positive after decrementing, the interconnected network has capability to accommodate the request.

The transmission capability studies will analyze the impact of the proposed transmission request on the thermal capability, voltage profile, and stability of the Transmission System(s) in accordance with the reliability and transmission planning criteria of the North American Electric Reliability Council (NERC) (or its successor organization) and SPP. The available transmission capability for firm transactions will be the transmission capability determined under the appropriate reliability criteria remaining after providing for prior contractual commitments (including any transmission service contract(s) previously filed and pending Applications for Firm Point-to-Point Transmission Service) and planned emergency generation import requirements of Network Customers under this Tariff and Grandfathered Agreements, and also accounting for power flows reasonably expected to occur on the Transmission System that cannot be controlled by the Transmission Provider and/or the Transmission Owners (e.g., parallel path flows and inertial response power flows due to the tripping of a generator on the interconnected system). The analysis will also consider the ability of the Transmission System to withstand, under transfer conditions, a severe but credible disturbance without experiencing cascading outages, voltage collapse or widespread blackouts.

In conducting studies, the Transmission Provider will adhere to Good Utility Practice, including NERC (or its successor organization) Policies and SPP Criteria and the OASIS Automation processes described as follows:

Available Transmission Capability (ATC)

The Transmission Provider has developed an automated process to determine ATC and to respond to transmission service requests. This process is called OASIS Automation. OASIS Automation automatically processes requests for transmission service using a flow-based approach to determine ATC on constrained facilities. OASIS Automation is integrated with the Transmission Provider's energy management system and uses power flow models developed from the real time data.

OASIS Automation computes constrained facility hourly ATC for the first 7 days and daily ATC for days 8 through 31. At midnight, a daily resynchronization occurs for the planning horizon. This means hourly ATC will be determined for day 1 through day 7 and daily ATC will be determined for day 8 through day 31 using the power flow model. Daily resynchronization will take approximately 2 hours to complete and produces constrained facility ATCs that reflect system and transmission service changes since the last resynchronization. After daily resynchronization starts, OASIS Automation will continue to use the constrained facility ATC at the start of resynchronization to process requests for transmission service. This means OASIS Automation will continue to act on requests even when resynchronization is underway. If requests were processed during resynchronization and they resulted in adjusting ATC in the planning horizon, the ATC from the resynchronization will be "caught-up" to reflect ATC adjustments once

resynchronization is complete. This catch-up is performed by decrementing ATC using response factors of certain designated constrained facilities for a Point of Receipt/Point of Delivery (POD/POR) pair.

Similar to the daily resynchronization for the planning horizon, an hourly resynchronization will occur at the beginning of the hour for the operating horizon. This means hourly ATC for the first day will be determined prior to 2 p.m. After 2 p.m., hourly ATC for the first and second day will be determined. Hourly resynchronization will take approximately 15 minutes to complete and produces constrained facility ATCs that reflect system and transmission service changes since the last resynchronization. Similar to daily resynchronization, after hourly resynchronization starts, OASIS Automation will continue to use the constrained facility ATC at the start of resynchronization to process requests for transmission service. The ATC from the resynchronization will be "caught-up" once resynchronization is complete.

During the period between resynchronizations, ATC posted on the OASIS will be continuously updated as requests are processed and ATC on the certain designated constrained facilities are adjusted. At the time of resynchronization, the effects of all previously processed requests are included in the resynchronization. This means newly approved transmission service requests are included as part of the power flow base model and the effects of these newly approved requests are not dependent on the use of response factors.

During the period between resynchronizations in both the operating horizon and the planning horizon, events will occur that are not reflected in the latest ATC posted on the OASIS (i.e., a change in system conditions) or a transmission service request will be processed and its effects are limited to certain designated constrained facilities constrained facilities using response factors that assume a linear relationship between ATC and the request. If the Tariff Administrator (TA) believes either of these events have occurred and the ATC may no longer be valid, the TA can initiate a resynchronization to occur at a time other than the normally scheduled time.

The flow-based approach being used to process requests under this Tariff requires computing constrained facility ATC for the planning horizon and the operating horizon. Constrained facility ATC represents remaining capacity available on a constrained facility. Transmission Customers, however, are interested in ATC that is available between Points of Receipt and Points of Delivery and not necessarily the capacity that is available on a constrained facility. To meet the needs of customers, the Transmission Provider provides a Scenario Analyzer as part of OASIS Automation which allows Transmission Customers to enter transmission service requests for analysis of available capacity without submitting requests on OASIS. The Scenario Analyzer evaluates availability of capacity on certain designated constrained facilities for the POR/POD pair but does not decrement ATC since no request has been submitted.

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Firm ATC

Oasis Automation computes firm ATC for the planning horizon only. Firm ATC is the capacity that remains on the constrained facility after reducing its rating for serving native load, Network Service and firm transactions. Firm ATC will be determined at least once a day during the daily resynchronization. Resynchronization for the planning horizon solves a power flow model that has both firm and non-firm transmission reservations. The flows on constrained facilities should represent base flows that serve native load. After the power flow model has been solved for a time segment, Oasis Automation takes the base flows of constrained facilities and adjusts them to consider the effects of firm reservations in OASIS. Reservations in OASIS have a POR/POD set. The certain designated constrained facilities that have a positive response factor for a POR/POD pair will have their base flow decreased for non-firm reservations to remove the non-firm reservation contribution to constrained facility loading. The certain designated constrained facilities that have a negative response factor for a POR/POD pair will have their base flow increased for firm and non-firm reservations to remove the firm and non-firm reservation contribution to constrained facility loading. The non-firm contribution is removed to totally remove the effects of non-firm reservations on firm ATC. The firm contribution is removed because The Transmission Provider does not consider the effects of counter flows associated with reservations.

After adjusting base flows for the effects of firm and non-firm reservations, OASIS Automation uses the following formula to determine firm ATC:

$$\text{Firm ATC}_{\text{Planning Horizon}} = \text{Rating} - \text{TRM} - \text{CBM} - \text{Base Flow}_{\text{Firm}}$$

#### Non-Firm ATC

Oasis Automation computes non-firm ATC for both the planning horizon and the operating horizon. Non-firm ATC is the capacity that remains on a constrained facility after reducing its rating for serving native load, Network Service, firm transactions and non-firm transactions. Non-firm ATC is computed in the planning horizon using the same power flow solution as used for firm ATC. The certain designated constrained facilities that have a positive response factor for a POR/POD pair will not have their base flow decreased for non-firm reservations. The base flows of constrained facilities with positive response factors reflect increased loading of both firm and non-firm reservations. The certain designated constrained facilities that have a negative response factor for a POR/POD pair will have their base flow increased for firm and non-firm reservation contribution to constrained facility loading. The firm and non-firm contributions are removed because The Transmission Provider does not consider the effects of counter-flows associated with reservations.

After adjusting base flows for the effects of firm and non-firm reservations, OASIS Automation uses the following formula to determine non-firm ATC in the planning horizon:

$$\text{Non-Firm ATC}_{\text{Planning Horizon}} = \text{Rating} - (A * \text{TRM}) - \text{CBM} - \text{Base Flows}_{\text{Non-Firm}}$$

Non-firm ATC is computed differently in the operating horizon than in the planning horizon. The operating horizon consists of the current day 24 hours and after 2 p.m., the next day 24 hours and deals exclusively with schedules. Firm Transmission Service cannot be purchased in the operating horizon (a Transmission Customer cannot request firm Transmission Service today with a begin date of today and a Transmission Customer cannot request firm Transmission Service after 10:00 a.m. today with a begin date of tomorrow). Since the schedules used in TrakR (The Transmission Provider scheduling software) do not distinguish between firm and non-firm and because there is not a commercial need to compute firm ATC in the operating horizon, a single calculation is made to determine non-firm ATC. This calculation is made by including all schedules in the power flow model, solving it and using the base flows of the constrained facilities.

OASIS Automation uses the following formula to determine non-firm ATC in the operating horizon:

$$\text{Non-Firm ATC}_{\text{Operating Horizon}} = \text{Rating} - (B * \text{TRM}) - \text{CBM} - \text{Base Flow}_{\text{Non-Firm}}$$

**ATTACHMENT D**

**Methodology for Completing a System Impact Study**

Upon receipt of a Completed Application, the Transmission Provider will determine whether transmission transfer capability ("Available Transfer Capability" or "ATC") will be adequate to accommodate the transmission service requested in such Application. The Transmission Provider will apply the criteria and practices described in Attachment C to determine ATC for Short-Term Firm and Non-Firm Transmission Service requests. The Transmission Provider's Coordinated Planning Procedures, Attachment O, will be used to determine ATC for Long-Term Firm and Network Integration Transmission Service requests. If sufficient ATC will exist to support the transaction described in the Eligible Customer's Application, as supplemented with necessary details such as the sources and sinks of the power to be scheduled under the request, the Transmission Provider will so inform the Eligible Customer. If the Transmission Provider determines that existing ATC is insufficient to provide the requested service, the Transmission Provider will notify the Eligible Customer. Upon a request by the Eligible Customer, the Transmission Provider will tender a Study Agreement to the Eligible Customer for a System Impact Study.

Upon receipt of a completed Study Agreement, the Transmission Provider, in coordination with the affected Transmission Owners, will perform a System Impact Study to determine whether the request for transmission service can be accommodated through construction of Direct Assignment Facilities or Network

Upgrades or through redispatch, if available. The System Impact Study will provide an estimate of the cost of redispatch.

If the studies predict that a constraint will occur in the system of a non-SPP transmission provider or non-SPP control area, the Transmission Provider will so inform the Eligible Customer requesting service. The Transmission Provider and Eligible Customer will need to work with the appropriate parties to determine if the limitation is valid and to determine the facility additions or redispatch that may be required by others to support the transfer. The Eligible Customer requesting service shall have the option to reduce the request to a level that can be sustained without experiencing the constraint.

**ATTACHMENT E****Index Of Point-To-Point Transmission Service Customers**

| <u>Customer</u>                       | <u>Date of<br/>Service Agreement</u> |
|---------------------------------------|--------------------------------------|
| Ameren Services Company.              | 11/12/98                             |
| American Electric Power Service Corp. | 5/18/1998                            |
| Amoco Energy Trading Corp.            | 6/05/1998                            |
| Aquila Power Corporation              | 5/12/1998                            |
| Associated Electric Cooperative, Inc. | 7/16/1998                            |
| Arkansas Electric Cooperative         | 6/02/1998                            |
| Avista Energy, Inc.                   | 5/12/1998                            |
| British Columbia Power Exchange Corp. | 12/16/1998                           |
| Cajun Electric                        | 7/07/1998                            |
| Cargill - Alliant                     | 4/29/1998                            |
| Carthage Water & Electric Plant       | 7/30/1998                            |
| Central and South West Services, Inc. | 5/21/1998                            |
| Cinergy Services Inc.                 | 5/21/1998                            |
| Citizens Power Sales                  | 5/12/1998                            |
| City Power & Light Independence, MO   | 6/05/1998                            |
| City Utilities of Springfield         | 5/28/1998                            |
| CLECO Corporation                     | 5/18/1998                            |
| Columbia Energy Power Marketing Corp. | 7/10/1998                            |
| Columbia Water and Light Department   | 7/29/1999                            |
| Commonwealth Edison Co.               | 6/30/1998                            |
| ConAgra Energy Services, Inc.         | 5/28/1998                            |
| Constellation Power Source, Inc.      | 9/28/1998                            |
| Coral Power L.L.C.                    | 7/06/1998                            |
| Duke/Louis Dreyfus                    | 4/27/1998                            |
| El Paso Power Services Co.            | 10/15/1998                           |
| Electric Clearinghouse, Inc.          | 6/01/1998                            |
| Empire District Electric Company      | 5/18/1998                            |
| Energy Clearinghouse Corp.            | 7/31/1998                            |
| Energy Transfer Group                 | 3/05/1999                            |
| Engage Energy                         | 4/17/1998                            |
| Enron Power Marketing, Inc.           | 5/20/1998                            |
| Energy Power Marketing Corp.          | 5/18/1998                            |

| <u>Customer</u>                            | <u>Date of Service Agreement</u> |
|--|----------------------------------|
| Entergy Services, Inc.                     | 5/28/1998                        |
| Grand River Dam Authority                  | 5/12/1998                        |
| Illinois Power Company                     | 5/12/1998                        |
| Jonesboro City Water & Light               | 5/18/1998                        |
| Kansas City Power & Light                  | 4/22/1998                        |
| Kansas Municipal Energy Agency             | 1/14/1999                        |
| Kansas City Board of Public Utilities      | 5/21/1998                        |
| KOCH Energy Trading Inc.                   | 6/17/1998                        |
| Lafayette Utilities                        | 7/16/1998                        |
| LG&E Energy Marketing, Inc.                | 2/25/1999                        |
| Merchant Energy Group of the Americas, Inc | 7/22/1998                        |
| Merrill Lynch Capital Services, Inc        | 1/02/1999                        |
| Midwest Energy, Inc.                       | 8/03/1998                        |
| Morgan Stanley Capital Group, Inc.         | 7/16/1998                        |
| Northern States Power Co.                  | 6/30/1998                        |
| OG&E Electric Services                     | 4/21/1998                        |
| OGE Energy Resources, Inc.                 | 5/18/1998                        |
| ONEOK Power Marketing Co.                  | 7/16/1998                        |
| PacifiCorp Power Marketing, Inc.           | 6/09/1998                        |
| PanCanadian Energy Services, Inc.          | 9/18/1998                        |
| PECO Energy Company                        | 5/18/1998                        |
| People's Electric Cooperative              | 6/02/1998                        |
| PG&E Energy Trading                        | 6/15/1998                        |
| PP&L, Inc.                                 | 11/12/1998                       |
| Public Service Company of Colorado         | 6/18/1999                        |
| Rainbow Energy Marketing Corp.             | 4/29/1998                        |
| Reliant Energy Serviecs, Inc.              | 3/30/1999                        |
| Sempra Energy Trading Corp.                | 7/02/1998                        |
| Sikeston Board of Municipal Utilities      | 5/05/1998                        |
| Sonat Power Marketing L.P.                 | 5/28/1998                        |
| Southern Company Energy Marketing          | 4/21/1998                        |
| Southwestern Power Administration          | 5/21/1998                        |
| Southwestern Public Service Co.            | 6/01/1998                        |
| St. Joseph Power & Light Company           | 4/14/1998                        |





| <u>Customer</u>                           | <u>Date of Service Agreement</u> |
|---|----------------------------------|
| Sunflower Electric Cooperative            |                                  |
| Tenaska Power Services Company            | 4/17/1998                        |
| Tennessee Power Company                   | 4/29/1998                        |
| Tennessee Valley Authority                | 6/09/1998                        |
| The Energy Authority                      | 8/20/1998                        |
| Tractebel Energy Marketing, Inc.          | 6/26/1998                        |
| Utilicorp United/Missouri Public Service  | 5/06/1998                        |
| Utilicorp United/West Plains Energy       | 5/06/1998                        |
| Vitol Gas & Electric                      | 5/18/1998                        |
| Wabash Valey Power Association, Inc.      | 6/02/1998                        |
| Western Farmers Electric Cooperative      | 5/28/1998                        |
| Western Resources Generation Services     | 5/18/1998                        |
| Williams Energy Marketing and Trading Co. | 1/02/1999                        |

**ATTACHMENT F**

**Service Agreement For Network Integration Transmission Service**

This Network Integration Service Agreement ("Service Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Federal Energy Regulatory Commission ("Commission") as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the Southwest Power Pool and acts as agent for the Transmission Owners in providing service under the Tariff; and

WHEREAS, the Network Customer has represented that it is an Electric Utility eligible for service under the Tariff;

Whereas, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

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

1.0 The Transmission Provider agrees during the term of this 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 and III of the Tariff and this 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 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 Agreement by reference. In the case of any conflict between this 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 Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Agreement shall commence on such date as it is permitted to become effective by the Commission. This Agreement shall be effective for an initial term of \_\_\_\_\_ years. 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 Agreement.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.

6.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I and III of the Tariff and this Agreement with attached Specifications.

7.0 Any notice or request made to or by either Party regarding this 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 :

\_\_\_\_\_

415 N. McKinley, 700 Plaza West

Little Rock, AR 72205

Transmission Customer:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8.0 The Tariff is incorporated herein and made a part hereof. In case of any conflict between this Agreement and the Tariff, the Tariff shall control.

9.0 This 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 agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assigner shall be bound by the terms and conditions of this agreement.

10.0 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 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.

11.0 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 Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

TRANSMISSION CUSTOMER

Name \_\_\_\_\_ Name

Title \_\_\_\_\_ Title

Date \_\_\_\_\_ Date

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT**

**BETWEEN SOUTHWEST POWER POOL AND \_\_\_\_\_**

**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 \_\_\_\_\_ .

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.

Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

**3.0 Affected Control Areas and Intervening Systems Providing Transmission Service**

The affected control area is \_\_\_\_\_ . The intervening systems providing transmission service are \_\_\_\_\_

**4.0 Electrical Location of Initial Sources**

Initial Source

Electrical Location

**5.0 Electrical Location of the Ultimate Loads**

The loads of \_\_\_\_\_ identified in Section 2.0 hereof as the Network Load are electrically located within the \_\_\_\_\_ Control Area.

**6.0 Delivery Points**

The delivery points are the meters of \_\_\_\_\_ 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 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 34.1 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**

System reinforcements may be required in the future to support the load forecasts. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

### **8.4 Ancillary Service Charges**

8.4.1 The following Ancillary Services are required under this Network Integration Transmission Service Agreement.

- a) Scheduling and Tariff Administration Service per
- b) Scheduling. System Control and Dispatch Service per
- 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

The ancillary services will be self-supplied by The Network Customer in accordance with Sections 8.4.2 through 8.4.4, with the exception of the ancillary services for Schedules 1 and 2.



8.4.2 With its annual forecasts, the Network Customer shall indicate its source for Ancillary Services in accordance with the Tariff to be in effect for the upcoming calendar year. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be provided for and charged in accordance with the Tariff.

8.4.3 When the Network Customer elects to self provide ancillary services and is unable to provide its own ancillary services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer'S alternate sources for required Ancillary Services.

8.4.4 All costs for the Network Customer to supply its own ancillary services shall be the responsibility of the Network Customer.

**8.5 Real Power Losses**

The Network Customer shall replace losses in accordance with Attachment M of the Tariff.

**8.6 Power Factor Correction Charge**

**8.7 Redispatch Charge**

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

**8.8 Wholesale Distribution Service Charge**

**8.9 Network Upgrade Charges**

System reinforcements may be required in the future to support the load forecasts. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

**8.10 Other Charges**

**9.0 Credit for Network Customer-Owned Transmission Facilities**

**10.0 Designation of Parties Subject to Reciprocal Service Obligation**

**11.0 Other Terms and Conditions**

(Southwest Power Pool)

Open Access Transmission Tariff  
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**APPENDIX 1**

**Network Resources of**

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APPENDIX 1 \_\_\_\_\_ NETWORK RESOURCES

|    | Network Resource | Maximum Net Dependable Capacity |        | Location |
|----|------------------|---------------------------------|--------|----------|
|    |                  | Summer                          | Winter |          |
| 1  |                  |                                 |        |          |
| 2  |                  |                                 |        |          |
| 3  |                  |                                 |        |          |
| 4  |                  |                                 |        |          |
| 5  |                  |                                 |        |          |
| 6  |                  |                                 |        |          |
| 7  |                  |                                 |        |          |
| 8  |                  |                                 |        |          |
| 9  |                  |                                 |        |          |
| 10 |                  |                                 |        |          |
| 11 |                  |                                 |        |          |
| 12 |                  |                                 |        |          |
| 13 |                  |                                 |        |          |
| 14 |                  |                                 |        |          |
| 15 |                  |                                 |        |          |
| 16 |                  |                                 |        |          |

|    |  |  |  |  |
|----|--|--|--|--|
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| 28 |  |  |  |  |
| 29 |  |  |  |  |
| 30 |  |  |  |  |

(Southwest Power Pool)

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**Appendix 2**

**Receipt Points of**

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(Southwest Power Pool)

Open Access Transmission Tariff  
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**APPENDIX 2** \_\_\_\_\_ RECEIPT POINTS

| Tieline / Plant Name | Ownership | Voltage | Rating |
|----------------------|-----------|---------|--------|
|                      |           | (kV)    | (MVA)  |

**ATTACHMENT G**

**Network Operating Agreement**

This Network Operating Agreement ("Operating Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ ("Network Customer"), Southwest Power Pool, Inc. ("Transmission Provider") and \_\_\_\_\_ ("Host Transmission Owner"). The Network Customer, Transmission Provider and Host Transmission Owner shall be referred to 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 Southwest Power Pool and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, the Host Transmission Owner owns the transmission facilities to which the Network Customer's Network Load is physically connected or is the Control Area to which the Network Load is dynamically scheduled;

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

WHEREAS, the Parties have entered into a Network Integration Transmission 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 Network 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 Control Area and the Transmission Provider to perform its obligations consistent with Good Utility Practice.

**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 the Network 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 Network 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 Network Customer, Host Transmission Owner, and Transmission Provider.

### **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 Network Integration Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Section \_\_\_ of Attachment \_\_\_ to 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. It shall also establish and monitor standards and operating rules and procedures

to assure that transmission system integrity and the safety of customer, 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 Policies and 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 Transmission 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 control area.

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 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 Transmission 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 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 Prior to the beginning of each week, the Network Customer shall provide to the Transmission Provider expected hourly energy schedules for that week for all energy flowing into the transmission system administered by Transmission Provider.

6.2 In accordance with Section 36 of the Tariff, the Network Customer shall provide to the Transmission Provider the Network Customer's hourly energy schedules for the next calendar day for all energy flowing into the transmission system administered by the Transmission Provider. The Network Customer may modify its hourly



energy schedules up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The hourly schedule must be stated in increments of 1000 kW per hour. The Network Customer shall submit, or arrange to have submitted, to the Transmission Provider a NERC transaction identification Tag where required by NERC Policy 3. These hourly energy schedules shall be used by the Transmission Provider to determine whether any Energy Imbalance Service charges, pursuant to Schedule 4 of the Tariff apply.

## **7.0 Ancillary Services**

7.1 The Network Customer must purchase in appropriate amounts all of the required Ancillary Services described in the Tariff from the Transmission Provider or Host Transmission Owner or, where applicable, self-supply or obtain these services from other providers.

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 and associated metering equipment. The Network Customer shall

permit 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.

8.2 The Network Customer shall test the metering equipment at suitable intervals and its accuracy of registration shall be maintained in accordance 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 either the Host Transmission Owner, Transmission Provider, or Network Customer require additional real-time load or generating facility status information from the meter points, the Parties shall cooperate, to the extent necessary, in order that such incremental monitoring and telecommunication equipment as shall be needed for this purpose may be installed and maintained during normal business hours. The requesting party shall be responsible for the costs of any special facilities installed.

## **9.0 Connected Generation Resources**

9.1 The Network Customer's connected generation resources that have automatic generation control (AGC) and automatic voltage regulation (AVR) 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.

9.2 For all Network Resources of the Network Customer, the following generation telemetry readings to the Host Transmission Owner are required:

- 1) Analog MW
- 2) Integrated MWHRS/HR
- 3) Analog MVARs
- 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 generation resources or curtailment of loads to relieve existing or potential transmission system constraints. The Network Customer shall submit verifiable incremental and decremental cost data from its Network Resources to the Transmission Provider. These costs will be used as the basis for least-cost redispatch. Information exchanged by the Parties under this article will be used for system redispatch only, and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency. 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.

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 Control Area.

## **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 Network 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.

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 Network Operating Agreement. 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 Network Operating Agreement.

## **13.0 Billing and Payments**

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

## **14.0 Dispute Resolution**

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

**15.0 Assignment**

This Network 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 Network 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 Network Integration Transmission 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 Network Operating Agreement and the terms of the Tariff, the Tariff shall control.

**18.0 Unilateral Changes and Modifications**

Nothing contained in this Network 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 Network Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Transmission Service under this 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 Network Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Network Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

**19.0 Term**

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

**20.0 Notice**

20.1 Except as herein otherwise provided, 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]

[name]

[title]

[address]

[phone]

[fax]

[Host Transmission Owner]

[name]

[title]

[address]

[phone]

[fax]

[Network Customer]

[name]

[title]

[address]

[phone]

[fax]

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, telegraph, 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 Network 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 Network 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

HOST TRANSMISSION OWNER

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

NETWORK CUSTOMER

(Southwest Power Pool)

Open Access Transmission Tariff  
Original Sheet No. 192

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Name

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Title

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Date

**ATTACHMENT H**

**Annual Transmission Revenue Requirement For Network  
Integration Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service within each Zone shall be:

|          |  |               |
|----------|--|---------------|
| Zone 1:  | Central & South West Corporation, Inc. (Public Service Company of Oklahoma and Southwestern Electric Power Company)... | \$97,198,234  |
| Zone 2:  | Cleco Corporation.....   | \$ 29,328,000 |
| Zone 3:  | City Utilities of Springfield, Missouri.....   | \$8,651,509   |
| Zone 4:  | Empire District.....   | \$ 14,075,000 |
| Zone 5:  | Grand River Dam Authority (Est.).....  | \$ 24,589,256 |
| Zone 6:  | Kansas City Power and Light Company.....   | \$ 35,461,776 |
| Zone 7:  | Oklahoma Gas & Electric Company.....   | \$ 65,065,032 |
| Zone 8:  | Mid-West Energy.....   | \$ 4,197,347  |
| Zone 9:  | Missouri Public Service.....   | \$ 18,884,642 |
| Zone 10: | Southwestern Power Administration.....   | \$ 4,922,300  |
| Zone 11: | Southwestern Public Service.....   | \$ 60,186,427 |
| Zone 12: | Sunflower Electric Cooperative.....  | \$ 19,637,429 |
| Zone 13: | Western Farmers Electric Cooperative.....  | \$ 23,211,351 |
| Zone 14: | Western Resources, Inc. (Kansas Gas & Electric and Western Resources).....   | \$ 66,491,775 |
| Zone 15: | West Plains Energy.....  | \$ 15,728,043 |

2. The amounts in (1) shall be effective until amended by the Transmission

(Southwest Power Pool)

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Owner or modified by the Commission or other applicable regulatory authority.

(Southwest Power Pool)

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**ATTACHMENT I**

**Index Of Network Integration Transmission Service Customers**

| Customer | Date of<br>Service Agreement |
|----------|------------------------------|
|----------|------------------------------|

**ATTACHMENT J**

**Recovery Of Costs Associated With New Facilities**

**1. Direct Assignment Facilities**

Where a System Impact and/or Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities. Such costs shall be specified in a Service Agreement. The revenues associated with Direct Assignment Facilities shall go directly to the Transmission Owner owning the facilities. If multiple Transmission Owners construct the facilities, the revenues shall be shared in accordance with each Transmission Owner's respective investment in Direct Assignment Facilities or as otherwise agreed by the Transmission Owners.

**2. Network Upgrades**

- a. The costs of completed Network Upgrades shall be handled as follows:
  - i. During the Transition Period:

The Transmission Customer(s) requesting Transmission Service which requires Network Upgrades shall pay the costs associated with those Network Upgrades as determined or accepted by the Commission on a case by case basis.

If the Transmission Provider requires the construction of Network Upgrades which cannot be directly attributed to specific Transmission Customers, then the Transmission Provider shall develop a mechanism to allow the Transmission Owner(s) constructing the facilities a reasonable opportunity to recover full annual transmission revenue requirements associated with the new facility under this Tariff unless such Transmission Owner or Owners agree otherwise. The Transmission Provider shall file any such cost recovery or pricing mechanism with the Commission.

ii. After the Transition Period:

All Network Upgrades constructed for service under this Tariff shall be rolled-in with all other transmission facilities. There shall be no direct assignment of Network Upgrade costs to Transmission Customers. However, the Transmission Provider shall not allow the construction and roll-in of a Network Upgrade when the Transmission Provider finds more economic or efficient alternatives. This roll-in of Network Upgrade costs shall include any such Network Upgrades paid for during the Transition Period. Once rolled-in, Owners shall recover their revenue requirements associated with the facilities consistent with the formulas attached as Attachment H.

b. The costs of Network Upgrades that are not completed shall be handled as follows:

If a proposed Network Upgrades was included in a Transmission Provider-approved Transmission Plan, required by the Transmission Provider, or otherwise accepted or approved by the Transmission Provider, the Transmission Owner(s) that incurred the costs shall be reimbursed for those costs by the Transmission Provider. These costs shall include, but are not limited to: the costs associated with attempting to obtain all necessary approvals for the project and studies and any construction costs. The Transmission Provider shall develop a mechanism to recover those costs which will be filed with the Commission on a case by case basis.

**ATTACHMENT K**

**Redispatch Procedures and Redispatch Costs**

**I. Redispatch to Accommodate a request for Firm Transmission Service**

**A. Purpose**

This Procedure shall apply only to entities that, when applying for Firm Point-To-Point or Network Integration Transmission Service, were told that the service could be provided only if redispatch occurs, and that agreed to pay redispatch costs. If an entity in these circumstances does not agree to pay redispatch costs, then its request for Firm Point-to-Point or Network Integration Transmission Service will be denied in whole or in part. To the extent the Transmission Provider can relieve any system constraint for Firm Point-To-Point or Network Integration Transmission Service by redispatching the generation resources of the Transmission Owner(s) or other willing generators, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 of this Tariff and this procedure. The procedure under this Section I is not for the purpose of sustaining non-firm service.

**B. Obligations**

The Transmission Provider shall arrange for the redispatch of the generation resources of the Transmission Owner(s) or other willing generators for the stated purpose. As a condition precedent to receiving Firm Point-to-Point or Network Integration Transmission Service, a Transmission Customer agrees to pay (1) the applicable Transmission Service charges described in Schedules 1 through 10; and (2) the actual redispatch cost necessary to relieve transmission constraints. To the extent practical, the redispatch of all such resources shall be on a least cost basis. The total charges to be paid by the Transmission Customer shall not exceed the total charges the Transmission Customer would have paid under the Transmission Service Tariffs of the



Transmission Owners for the Transmission Service in the same amount from the same Point of Receipt to the same Point of Delivery. Any redispatch costs in excess of these maximum charges shall be recovered by SPP through the formula in Section IV of this Attachment K.

**C. Assessment Process**

Upon receipt of an application for Firm Point-to-Point or Network Integration Transmission Service, the Transmission Provider shall make a determination of the availability of the requested Firm Transmission Service. The Transmission Provider's Security Coordination Center will identify transmission constraints utilizing generally accepted power system analysis techniques. Where the requested Firm Transmission Service is determined to be not fully available because of transmission constraints, then the Transmission Provider will assess the need for redispatch of generation and related modifications to schedules. If the Transmission Provider concludes that redispatch can sustain the requested Firm Transmission Service, then the Transmission Provider will offer to redispatch and will provide estimates of the Redispatch Costs for the relief of transmission constraints as required.

The procedure to be implemented is as follows:

1. Determine the available transmission capacity for the requested Firm Transmission Service utilizing a load flow computer simulation of the transmission system recognizing all firm uses of the system.
2. Determine the owned generation resources of the Transmission Owners or others that will most cost effectively relieve the transmission constraint and the amount of transmission capacity available through redispatch.
3. Determine the firm transmission reservations that if curtailed would affect or relieve the transmission constraint and the amount of transmission capacity available through such curtailment. Solicit from holders of these firm transmission rights the price at which they would relinquish their rights subject to the maximum prices stated in this

Tariff.

4. The Transmission Provider shall estimate the total incremental cost of redispatch that will relieve the transmission constraint. In any instance where the redispatch prohibits, or requires the curtailment of a sale of generation and such redispatch results in foregone profits (opportunity cost), then the foregone profits of that sale as well as the incremental production cost of the alternative generation will be recognized as a part of the redispatch cost.
5. The Transmission Provider shall inform the Eligible Customer of the estimated cost of redispatch for the Firm Transmission Service requested.
6. Any disputes as to compensation shall go to dispute resolution in accord with the provisions of this Tariff.

**D. Redispatch Costs**

The Transmission Provider will in good faith attempt to relieve the constraint by the least cost means whether by seeking a change in generation output from the Transmission Owners or from any other entity or by other means including facilitating the payment of firm transmission customers to temporarily give up their rights in order to relieve the constraint. Redispatch Costs for the Firm Transmission Application shall be the total cost incurred by the Transmission Provider to provide the requested service. For generation owned by the Transmission Owner(s) or others, the redispatch cost shall include opportunity costs as described in Section C.4 above plus the higher of incremental or replacement fuel costs and incremental operation and maintenance costs of generation facilities necessary to relieve constraints on the Transmission System(s). Incremental operation and maintenance costs shall be based on the most recent production cost analysis of the generation system(s) of the Transmission Owner(s) or others. Incremental or replacement fuel costs will be based on best available forecasted fuel prices for the effected generation facilities. Opportunity costs shall include the profits foregone for a sale that is not permitted to begin, or for a sale that is

terminated, reduced, or rescheduled from one generator to another, when appropriate. For foregone sales opportunities that arise after the redispatch is arranged, the Eligible Customer shall have the right to pay any opportunity costs with respect to such sales in order to maintain Firm Transmission Service. Otherwise, the redispatch provider shall be under no further obligation to provide redispatch service and the Eligible Customer's reservation shall be reduced accordingly.

For Transmission Customers seeking Firm Transmission Service for the next day, the Transmission Provider shall provide a nonbinding estimate of the redispatch costs. All Transmission Customers electing to pay redispatch costs shall pay the actual costs of redispatch that the Transmission Provider pays in order to provide the Firm Point-to-Point Transmission Service. Upon receipt of such notice, the Transmission Customer may elect to pay the redispatch costs or cancel the transaction. The Transmission Provider will use its best efforts to provide the Transmission Customer with advance notice of the need for redispatch and the costs of redispatch. In some instances, advance notice may not be possible. In that event, at the time that redispatch begins for the continuation of service, the Transmission Provider will give the Transmission Customer that elected to pay redispatch costs the option of canceling service within an hour and not paying further for such redispatch costs. The Transmission Provider will keep no revenues associated with relieving the constraint and simply will pay the entity or entities whose action or actions resulted in the relief of the constraint.

## **II. Redispatch To Prevent Curtailment of Firm Transmission Service**

Under this provision, the Transmission Provider must take actions in order to keep already scheduled Transmission Provider Firm Transmission Service and firm load including bundled native load from being curtailed after non-firm transactions contributing to the constrained conditions have been curtailed by

ordering and/or arranging for the redispatch of generating units. Such actions may only be taken in response to an emergency or unexpected system operating condition.

Any redispatch costs, as defined in Section I above, incurred by the Transmission Provider to prevent curtailment of Firm Transmission Service shall be distributed among all Firm Transmission Customers, including native load, on the basis of the ratio of each Transmission Customer's transmission reservation; or, in the case of bundled native load, each Transmission Owner's use of the Transmission System to serve such bundled native load, to the sum of all such Firm Transmission Service reservations and bundled native load uses.

The Transmission Provider shall contract in a manner that minimizes costs to the greatest extent practicable to effectively relieve the constraint. SPP shall recover these costs consistent with Section IV of this Attachment K.

**III. Redispatch to Prevent Curtailment of Non-Firm Point-to-Point  
Transmission Service**

Under this provision, Generation Redispatch provided will only be for non-firm transmission schedules. This service will be offered for same day and next day schedules. This Generation Redispatch service for non-firm transmission service is voluntarily offered and voluntarily purchased. The Transmission Owner(s) have no obligation to provide this service and the Transmission Customer(s) have no obligation to purchase this service. Jurisdictional redispatch providers shall provide this service only pursuant to rate schedules, agreements, or tariffs on file with the Commission. The Transmission Provider will identify candidate units for redispatch with the knowledge of non-firm and firm transmission service on paths at risk of Curtailment. The total time required to implement this procedure, from the time that a need for Curtailment is identified, is expected to be 4 hours. If

less than 4 hours lead time is available in advance of Curtailment, the Transmission Provider may Curtail schedules before implementing the process.

**A. Non Firm Redispatch Process**

1. The Transmission Provider identifies a need for Curtailment or receives a request for Curtailment from a control area operator; posts the fact that generation redispatch is being assessed; and selects and evaluates candidate generating units for redispatch to mitigate the problem.
2. After identifying feasible redispatch solutions, the Transmission Provider contacts generating unit owners, dispatchers, or entities with merchant function responsibility as applicable to solicit willingness to supply Generation Redispatch Service and to obtain associated pricing and terms.
3. The Transmission Provider receives price quotes (including any cost of transmission service) and associated terms; picks most economic alternative; allocates selected alternative to submitted transmission schedules based on relative impacts on the affected transmission facility; and contacts prospective Generation Redispatch purchasers with pricing for purchasers to accept or reject. Notification of redispatch availability on affected paths with schedules will be posted on the OASIS purchasers with schedules will also be notified by phone or FAX.
4. Prospective Generation Redispatch purchasers accept or decline the Generation Redispatch Service and pricing; deadline to respond is 1 hour before announced time of Curtailment. If there is no response from a prospective Generation Redispatch purchaser, then such purchaser will be deemed to have declined the service.
5. The Transmission Provider receives responses, notifies Generation Redispatch provider(s) of the quantity of service to be provided directly to Generation Redispatch purchaser(s). The deadline for the Transmission Provider notification to Generation Redispatch provider is 50 minutes before announced time of Curtailment. Generation Redispatch providers will be obligated to supply only that energy which the

Generation Redispatch purchasers have committed to buy.

6. Provider(s) and purchaser(s) of Generation Redispatch Service fax and execute transaction confirmations directly with each other to document their agreement. Any terms and conditions peculiar to a specific service (e.g., minimum run time for a designated unit, regardless of duration of Curtailment) will be specified on the transaction confirmation. These confirmations will not go through the Transmission Provider. A copy of the transaction confirmation will be faxed to the Transmission Provider by the Generation Redispatch purchaser to provide verification that the service is being purchased and provided.
7. Service is then provided by Generation Redispatch provider.

**B. Redispatch Priorities**

1. To the extent the quantity of Generation Redispatch Service purchased and supplied offsets the effect of the transaction on the impacted transmission facilities, there will be no further redispatch obligation on the Generation Redispatch purchaser.
2. To the extent that the Generation Redispatch purchaser has not purchased Generation Redispatch Service to offset its total schedule, it continues to have an exposure to the need for incremental redispatch or schedule curtailment.

**IV. Recovery of Redispatch Costs by the Transmission Provider**

The Transmission Provider shall be entitled to recover all redispatch costs, not otherwise directly assigned to the Transmission Customers associated with the compensation of generation owners, or Transmission Owners pursuant to this Schedule. In order to recover these costs, the Transmission Provider shall add an additional charge to the base transmission charges under this Tariff calculated using the following formula:

Additional Monthly redispatch  
charge

Prior Month'S Redispatch Costs not  
otherwise recovered (Including Any

$$\begin{aligned} \text{(per kW - month)} &= \frac{\text{Carrying Costs And Any True-Up)}}{\text{(Transmission System Peak for the}} \\ &\quad \text{same prior month) - (coincident}} \\ &\quad \text{peak usage of all Firm Point-to-}} \\ &\quad \text{Point Transmission Service) +}} \\ &\quad \text{(Reserved Capacity of all Firm}} \\ &\quad \text{Point-to-Point Transmission Service}} \\ &\quad \text{customers)}} \end{aligned}$$

The Transmission Provider shall apply this charge to all point-to-point customers under the Tariff in addition to the base transmission charge. The charge developed above is the rate for monthly service. The rate for weekly service will be the product of the monthly rate and 12 divided by 52. The rate for daily service will be the product of the monthly rate and 12 divided by 260. The rate for hourly service will be the product of the monthly rate and 12 divided by 4160. Network Customers shall pay a load ratio share of the prior month's redispatch costs based on their Network Load coincident with the Transmission System peak for that prior month in which the redispatch expenses were incurred divided by the Transmission System peak for that same month. For bundled retail load for which network service is not taken under this Tariff, the Transmission Provider shall recover the remaining costs from the Transmission Owners serving the bundled retail load, with the Transmission Owner allocated these remaining amounts based upon their relative proportions of bundled retail load (for which network service is not taken under this Tariff).

In deriving the charges, the Transmission Provider may estimate the redispatch costs it owes or will owe. The Transmission Provider shall true-up that estimate in a later month, with carrying costs, once actuals are

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available.



**ATTACHMENT L**  
**TREATMENT OF REVENUES**

**I. Payments and Distribution of Revenues**

Payment will be made in accord with Section 7 of the Tariff to the Transmission Provider as agent for the Transmission Owners for all services provided under this Tariff. The Transmission Provider will distribute the revenues received to the Transmission Owners in accord with the provisions of this Attachment L.

**II. Allocation of Base Transmission Revenues**

**A. Grandfathered Agreements**

Except by mutual agreement of the Parties to Grandfathered Agreements, the Transmission Provider shall have no claim to the revenues collected under such agreements, and shall not collect or allocate any revenues for transmission service related to such transactions. The Transmission Owner providing the transmission service under the Grandfathered Agreements, therefore, will continue to receive payment directly from the customer under the Grandfathered Agreement.

**B. Network Integration Transmission Service**

Revenues collected by the Transmission Provider for Network Integration

Transmission Service shall be fully allocated to the Transmission Owner of the host Zone. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, revenues collected by the Transmission Provider for Network Integration Transmission Service shall be allocated to the Transmission Owners on the same basis as Point-To-Point Transmission Service.

**C. Point-To-Point Transmission Service**

1. Revenues collected by the Transmission Provider for Transmission Service associated with power transactions where the generation source(s) and load(s) are located within the host Zone shall be fully allocated to the Transmission Owner of that host Zone whether the generation source is controlled by the Transmission Owner or another entity.

2. All other Transmission Provider Point-To-Point Transmission Service revenues collected by the Transmission Provider (i.e., other than those revenues specified in paragraph C.1) are shared between all Zones fifty percent (50%) in proportion to annual revenue requirements; and fifty percent (50%) based upon the MW-mile impacts incurred by the Transmission Owners. The annual revenue requirements used shall be those stated in Attachment H. The MW-mile impacts shall be determined by use of the procedures in Attachment S.

3. Where there are Transmission Owners within a Zone whose facilities have not been included in the rates stated in Attachments H and T, the Transmission

Provider will further allocate the Point-To-Point Transmission Service revenues allocated to that Zone among the Zone'S Transmission Owners on the same basis as the revenues are allocated to the Zone. For the application of this provision each Transmission Owner shall have an annual revenue requirement filed with the Commission

**III. Allocation of Other Revenues**

1. Revenues associated with redispatch service will be paid to the generation owner providing the service for the Transmission Provider.
  
2. Revenues associated with Reactive Supply and Voltage Control from Generation Sources Services under Schedule 2 will be paid to the generation owner providing the service for the Transmission Provider consistent with the development of the charges under Schedule 2.
  
3. Energy or revenues received as compensation for transmission losses shall be distributed consistent with Attachment M.
  
4. Revenues associated with Scheduling and Tariff Administration Service under Schedule 1 will remain with the Transmission Provider to pay for the costs of providing that service (except for the revenues for related services provided by individual Control Areas for the movement of power within, into, or out of the respective Control Areas which shall go to the appropriate Transmission Owner(s)).

5. Payments associated with penalties imposed under this Tariff will be used to reduce the Transmission Provider's Scheduling and Tariff Administration Service costs (though the non-penalty portion of the charge will go back to the Transmission Owner(s) that actually provided the service).

6. Transmission Owner costs associated with System Impact and Facilities Studies compensated by the Transmission Customer shall go to the appropriate Transmission Owner(s).

7. The revenues associated with Direct Assignment Facilities and Network Upgrades shall go directly to the Transmission Owner(s) owning the facilities consistent with Attachment J.

8. The revenues associated with Wholesale Distribution Service shall go directly to the Transmission Owner(s) owning the facilities consistent with Schedule 10.

**ATTACHMENT M**

**LOSS COMPENSATION PROCEDURE**

**PURPOSE**

This loss compensation procedure will be used to quantify transmission loss energy that the Transmission Customer is required to replace to the Transmission Owner(s) under this Tariff. The Transmission Customer shall be responsible for replacing the losses due on a real time basis. The Transmission Customer shall deliver the loss energy to the Control Area(s) affected by the transactions.

Each Transmission Owner shall maintain a schedule showing its allocation of loss energy for the provision of transmission service on its system. For the Commission regulated Transmission Owners, these allocations shall be pursuant to Commission approved schedules. The average loss factor ( $L_{AVG}$ ) for each Transmission Owner are stated in Appendix 1 to this Attachment M.

**LOSS DETERMINATION - NETWORK INTEGRATION TRANSMISSION SERVICE**

The Network Customer is responsible for replacing losses, associated with Network Integration Transmission Service to its Network Load, to each Zone in which its Network Load is located. The Network Customer's loss responsibility is the product of the Zone loss factor and the energy delivered within that Zone by the Network Customer.

Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, the Network Customer is responsible for replacing losses, associated with Network Integration Transmission Service to its Network Load, for schedules from Network Resources (as well as other non-designated generation resources) located within the Transmission System. These losses will be determined, and allocated to the Transmission Owners, in the same manner as losses for Point-To-Point Transmission Service

**LOSS DETERMINATION - POINT-TO-POINT TRANSMISSION SERVICE**

The Transmission Provider shall calculate a loss matrix twice each year to show the composite loss factors for each transaction, as a percentage of the transaction, based on the total of each Transmission Owner's pro rata MW-mile impact multiplied by the applicable loss factor for energy for such Transmission Owner. The factors for inclusion in the loss matrix shall be determined as follows:

- 1) For each Transmission Owner, determine a Transaction Participation Factor (TPF) which is the MW-mile impact on that Owner expressed as a percentage of the MW-mile impacts on all Transmission Owners for the given transaction. The MW mile impacts will be calculated in accordance with Attachment S.
- 2) The seasonal application of the individual Transmission Owner's loss factors under this Tariff shall be consistent with the The Transmission Provider's seasonal calculation of the MW-Mile

impact factors under Attachment S.

- 3) Calculate a weighted system loss factor for each transaction as the sum of the products of:  $TPF \times L_{AVG}$  for the system of each Transmission Owner.

The amount of loss energy supplied to and to be replaced by each Transmission Customer for each transaction will be determined by multiplying the MWh'S of the schedule by the composite loss factor for the transaction. The amount of loss energy supplied by and to be replaced to each Transmission Owner for each transaction will be determined by multiplying the MW'S of the schedule by that Owner'S TPF and loss factor ( $L_{AVG}$ ). The Transmission Customer shall replace the loss energy shown in the loss matrix (as a percentage of the transaction) to the Transmission Owners for each transaction. The Transmission Provider shall be responsible for allocating the replaced loss energy among the Transmission Owners consistent with the above methodology.

#### **OPTIONAL ANNUAL PURCHASE OF LOSS ENERGY**

The Transmission Customer may meet its obligation to replace loss energy under the Tariff by electing to purchase all loss energy for which it is responsible under this Tariff on an annual basis. Such election will be for a full calendar year and shall be exercised by execution of a Service Agreement for Loss Compensation Service, Attachment N, on or before December 1 of the prior calendar year. Under this Agreement, the Transmission Customer will purchase

the specified quantity of loss energy for all transactions under this Tariff.

New Transmission Customers may make such election at the time they first execute Attachment A or Attachment B under this Tariff, but in no event at a time later than the time at which they first take service under the Tariff. In this circumstance, the term of the election will be for the remainder of the calendar year. The Transmission Customers will fully pay for such losses.

Compensation for losses will be at a cost determined by multiplying the MWh of loss energy by a price index. The price index will be determined by multiplying the price of commodity gas times an estimated average heat rate of 10.5 MMBtu/MWh. The price of commodity gas will be determined each month as the price published under the heading of "Houston Ship Channel/Beaumont, Texas Index", "large packages only", under the subheading of Inside F.E.R.C.'S GAS MARKET REPORT. The price will become effective on the day after the index is posted on the SPP OASIS and remain effective until the day after the next posting of the index. This index is updated monthly.

$$(gpi/MMBtu) * 10.5 (MMBtu/Mwh) = \$/Mwh$$

Where: gpi = the "Houston Ship Channel/Beaumont Texas Index."

The Transmission Provider shall be responsible for allocating the revenue from the sale of losses among the Transmission Owners consistent with the above methodology and Attachment L.



**Appendix 1 to Attachment M**

|          |  |        |
|----------|--|--------|
| Zone 1:  | Central & South West Corporation, Inc. (Public Service Company of Oklahoma and Southwestern Electric Power Company). | 3.00   |
| Zone 2:  | Cleco Corporation.....   | 1.95   |
| Zone 3:  | City Utilities of Springfield, Missouri.....   | 2.00   |
| Zone 4:  | Empire District.....   | 2.71   |
| Zone 5:  | Grand River Dam Authority.....   | 3.50   |
| Zone 6:  | Kansas City Power and Light Company.....   | 1.90   |
| Zone 7:  | Oklahoma Gas & Electric Company.....   | 3.00   |
| Zone 8:  | Mid-West Energy.....   | 7.20   |
| Zone 9:  | Missouri Public Service  |        |
|          | Delivery Voltage   | Summer |
|          | 345/161 kV   | 1.5%   |
|          | 69/34 kV   | 2.0%   |
|          | Winter   | 1.0%   |
|          |  | 1.7%   |
| Zone 10: | Southwestern Power Administration.....   | 4.00   |
| Zone 11: | Southwestern Public Service.....   | 3.6984 |
| Zone 12: | Sunflower Electric Cooperative.....  | 4.50   |
| Zone 13: | Western Farmers Electric Cooperative.....  | 3.00   |
| Zone 14: | Western Resources, Inc. (Kansas Gas & Electric and Western Resources).....   | 2.94   |
| Zone 15: | West Plains Energy   |        |
|          | Delivery Voltage   | Summer |
|          |  | Winter |

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|                |      |      |
|----------------|------|------|
| 230/138/115 kV | 5.3% | 2.9% |
| 34.5 kV        | 6.0% | 5.0% |

**ATTACHMENT N**

**Form Of Service Agreement For Loss Compensation Service**

1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Southwest Power Pool, Inc. ("Transmission Provider"), and \_\_\_\_\_ ("Transmission Customer").

2.0 The Transmission Customer has been determined by The Transmission Provider to have a Completed Application for Point-To-Point Transmission Service under the Tariff.

3.0 Service under this agreement shall commence on \_\_\_\_\_. Service under this agreement shall terminate on \_\_\_\_\_, the last calendar day of the year in which service commences.

4.0 The Transmission Customer agrees to supply information The Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 On behalf of the Transmission Owners, and as authorized by the Transmission Owners, The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Loss Compensation Service in accordance with the provisions of Part II and Attachment M of the Tariff and this Service Agreement. All charges for Loss Compensation Service shall be determined in accordance with the provisions of Attachment M.

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6.0 Any notice or requests made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Southwest Power Pool:

\_\_\_\_\_  
415 N. McKinley, 700 Plaza West  
Little Rock, AR 72205

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Southwest Power Pool:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

**ATTACHMENT O**

**COORDINATED PLANNING PROCEDURES**

The highly interconnected nature of the Transmission System, and the associated high degree of interdependence of the facilities of the Transmission Owners, requires coordination of transmission planning efforts. These Procedures describe coordination requirements for transmission planning within the SPP Region. Transmission Owners are obligated to build facilities subject to regulatory approval under the provisions of this Tariff. The Transmission Provider will not build or own transmission facilities. These procedures neither obligate the Transmission Provider nor Transmission Owners to build or own facilities within another Transmission Owner's area where a limit may exist. Transmission Owners may at any time voluntarily form associations and partnerships between Members or with non-Members to jointly construct and finance new transmission facilities provided such projects are subject to the assessment process of these Procedures.

**1.0 Planning Criteria**

The individual planning criteria of each Transmission Owner shall be the basis for determining whether a violation of criteria exists and when a need for new facilities should be considered. This planning criteria shall, at a minimum, conform to SPP Criteria and NERC Planning Standards. Transmission Owners shall submit their transmission planning criteria to the Transmission Provider. This criteria may be modified at any time provided that, if the criteria is

made more stringent, the increased requirements shall not apply retroactively to transmission planning studies previously completed nor studies already underway by SPP'S Transmission Assessment Working Group (TAWG).

## **2.0 Planning and Assessment Studies**

Transmission planning studies shall be performed by individual Transmission Owners. Members shall contact the TAWG whenever new facilities that impact interconnected operation are in the conceptual planning stage so that the optimal integration of any new facilities and potentially benefiting parties can be identified. The Transmission Provider's operating personnel shall periodically inform the TAWG of identified operating constraints that should be addressed in future studies. Seasonal transmission assessments shall be performed by the TAWG. These planning studies and seasonal assessments are for purposes of identifying any planning criteria violations that may exist. Transmission Owners shall submit their five-year transmission construction plans to the Transmission Provider. The initial plans, existing as of January 1, 1999, shall be considered grandfathered and shall not be subject to review or approval by the TAWG.

In the event the assessment process identifies a violation, the violation shall be directed to the associated Transmission Owner. The responsible Transmission Owner shall respond by explaining why the violation is not valid or by identifying alterations in its transmission plan which correct the criteria violation. The Transmission Owner with an identified limit shall be responsible for performing studies to determine alternatives that remove the limit. If corrective action causes regional impacts and is therefore subject to cost sharing, the Transmission Provider's Staff shall participate in these studies if requested by the Transmission Owner or another Member.

Recommendations developed by the responsible Transmission Owner to mitigate an identified violation shall be presented for review and approval by the TAWG. This review shall evaluate study results for negative impacts on the transmission systems of other Members. If such negative impacts are found, the TAWG, the impacted Member and the Transmission Owner shall participate in a joint effort to modify the recommendation to the satisfaction of all involved Members. If negative impacts are not found, the TAWG shall accept the recommendation. If the TAWG finds the study incomplete, the Transmission Owner shall make further analysis to the satisfaction of the TAWG. Once the recommendation is shown to address the violation and any negative impacts have been mitigated to the extent practicable, the TAWG shall accept the recommendation.

### **3.0 Need for New Facilities**

Undue limitation on the maintenance of the Transmission System and the provision of firm transmission service shall be deemed to create a need for new or upgraded facilities. Either situation shall require submittal of a transmission plan for review by the TAWG to resolve the issue and may result in cost sharing among the entities that benefit from facility additions or improvements. This review can be initiated by any Member requesting firm transmission service under any applicable tariff. This review can also be initiated by any SPP organizational group as a result of its performance of operational assessments.

If the Transmission Owner with an identified limit is unable to determine alternatives in a timely manner, the TAWG may establish a task force to determine appropriate options and make a recommendation. Such task force roster shall include representation from the Member with the limiting facility and Members with transmission service or facilities that might be affected by the limiting facility or corrections. The task force shall provide a recommendation, along with options considered to the TAWG for a review of impacts. Based on its review of the task force recommendations, the TAWG shall prepare a proposal for consideration by the SPP Board of Directors to direct the appropriate Transmission Owners to begin implementation of the project.

#### **4.0 Construction**

a. Each Transmission Owner shall use due diligence to construct transmission facilities as directed by the SPP Board of Directors subject to such siting,



permitting, and environmental constraints as may be imposed by state, local and federal laws and regulations, and subject to the receipt of any necessary federal or state regulatory approvals. Such construction shall be performed in accordance with Good Utility Practice, applicable SPP Criteria, industry standards, each Transmission Owner's specific reliability requirements and operating guidelines (to the extent these are not inconsistent with other requirements), and in accordance with all applicable requirements of federal or state regulatory authorities. Each Transmission Owner shall be fully compensated to the greatest extent permitted by The Commission, for the costs of construction undertaken by such Transmission Owner in accordance with this Tariff.

b. After a new transmission project has been approved, the Transmission Provider will direct the appropriate Transmission Owners to begin implementation of the project. If the project forms a connection between facilities of a single Transmission Owner, that Owner will be designated to provide the new facilities. If the project forms a connection between facilities owned by two different Transmission Owners or between a new facility and the facilities of a Transmission Owner, both entities will be designated to provide the new facilities. The two entities will agree between themselves how much of the project will be provided by each entity. If agreement cannot be reached, the Transmission Provider will facilitate the ownership determination process.

c. A designated provider for a project can elect to arrange for a another

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entity or another existing Transmission Owner to build and/or own the project in their place. If a designated provider or providers do not or cannot agree to implement the project in a timely manner, the Transmission Provider will solicit and evaluate proposals for the project from other entities and select a replacement designated provider.

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**ATTACHMENT P**

| Transmission Service Type | Term                                  | Transmission Requests 2/ |                 | SPP Response to Application | Determine Capacity Available or Study (From Date of Customer Commitment) |         | Customer Response 1/ | Energy Scheduling 2/ Changes |                      |
|---------------------------|---------------------------------------|--------------------------|-----------------|-----------------------------|--|---------|----------------------|------------------------------|----------------------|
|                           |                                       | No Later Than            | No Earlier Than |                             | 30 days  | 60 days |                      | No Later Than                | No Earlier Than      |
| Long Term Firm            | 1 Year or More                        | 60 Days Prior            |                 | 15 days                     | 30 days  | 60 days | 15 days              | 1000 day prior               | 20 min prior to hour |
| Short-Term Firm           | More than 1 month (monthly)           | 31 days prior            | 120 days prior  | 24 hr                       | 30 days  | 60 days | 24 hr                | 1000 day prior               | 20 min prior to hour |
| Short-Term Firm           | 1 mo (monthly)                        | 8 days prior             | 90 days prior   | 24 hr                       | 7 days   | 60 days | 24 hr                | 1000 day prior               | 20 min prior to hour |
| Short-Term Firm           | More than 1 wk up to 1 month (weekly) | 8 days prior             | 60 days prior   | 24 hr                       | 7 days   | 60 days | 24 hr                | 1000 day prior               | 20 min prior to hour |

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| Transmission Service Type | Term                               | Transmission Requests 2/ |                 | SPP Response to Application | Determine Capacity Available or Study (From Date of Customer Commitment) |               | Customer Response 1/ | Energy Scheduling 2/ Changes |                      |
|---------------------------|------------------------------------|--------------------------|-----------------|-----------------------------|--|---------------|----------------------|------------------------------|----------------------|
|                           |                                    | No Later Than            | No Earlier Than |                             | System Impact  | System Impact |                      | No Later Than                | No Earlier Than      |
| Short-Term Firm           | 1 wk (weekly)                      | 2 days prior             | 30 days prior   | 24 hr                       | 1 day  | 60 days       | 24 hr                | 1000 day prior               | 20 min prior to hour |
| Short-Term Firm           | More than 1 day up to 1 wk (daily) | 2 days prior             | 14 days prior   | 24 hr                       | 1 day  | 60 days       | 24 hr                | 1000 day prior               | 20 min prior to hour |
| Short-Term Firm           | 1 Day (daily)                      | 1000 day prior           | 3 days          | 24 hrs                      | 60 min   | 60 days       | 60 min               | 1200 day prior               | 20 min prior to hour |
| Non-Firm                  | 1 month or greater (monthly)       | 3 days prior             | 60 days prior   | N/A                         | 2 days   | N/A           | 24 hr                | 1400 day prior               | 20 min prior to hour |
| Non-Firm                  | 1 wk up to 1 mo                    | 2 days                   | 14 days         | N/A                         | 4 hr   | N/A           | 90 min               | 1400 day                     | 20 min               |

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| Transmission Service Type                         | Term                           | Transmission Requests 2/                     |                   | SPP Response to Application | Determine Capacity Available or System Impact Study (From Date of Customer Commitment) |     | Customer Response 1/ | Energy Scheduling 2/ Changes |                         |
|---|--------------------------------|--|-------------------|-----------------------------|--|-----|----------------------|------------------------------|-------------------------|
|   |                                | No Later Than                                | No Earlier Than   |                             |  |     |                      | No Later Than                | No Earlier Than         |
|   | (weekly)                       | prior  | prior             |                             |  |     |                      | prior                        | prior to hour           |
| Non-Firm  | 1 day up to<br>1 wk (daily)    | 1200 day<br>prior                            | 2 days<br>prior   | N/A                         | 30 min   | N/A | 90 min               | 1400 day<br>prior            | 20 min<br>prior to hour |
| Non-Firm  | 1 hour up to<br>1 day (hourly) | 1400 day prior<br>or later if<br>practicable | 1200 day<br>prior | N/A                         | 30 min   | N/A | 30 min               | 1500 day<br>prior            | 20 min<br>prior to hour |
| Non-Firm w/o reservation<br>priority of Sec. 14.2 | next-hour<br>(hourly)          | 30 minutes prior                             | 1 hour<br>prior   | N/A                         | N/A  | N/A | N/A 3/               | N/A 3/                       | N/A 3/                  |

1/ For transactions not covered by an umbrella service agreement, the customer response must be execution of a service agreement or a request that an unexecuted service agreement be filed with the Commission pursuant to Section 15.3 of the Tariff. For transactions under an umbrella service agreement, the above times are the deadlines by which time the customer must notify The Transmission Provider of its acceptance of the offer to

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provide transmission.

2/ The Transmission Provider, in its discretion exercised on a non-discriminatory basis, may waive any of these requirements.

3/ All Non-Firm next-hour requests are deemed to be pre-confirmed and pre-scheduled.

ATTACHMENT Q

Form of Application For Short-Term Firm and Non-Firm Transmission Service

|                                 |                          |               |
|---------------------------------|--------------------------|---------------|
| Email Address:                  | Submit                   | Reset         |
| Customer Information            | Seller Information       |               |
| Name<br>Company                 | Company                  |               |
| Comments                        | DUNS                     |               |
| Paths and POR/POD Information   | Transmission Information |               |
| POR<br>POD                      | Capacity Type            |               |
| Path Name                       | Capacity                 | Price         |
| <sup>1</sup> Source             | <sup>2</sup> Sink        | Pre-confirmed |
| Dates and Times                 | Reference Numbers        |               |
| Begin Date<br>Time<br>Time Zone | Deal                     | Request       |
| End Date<br>Time<br>Time Zone   | Sale                     |               |

<sup>1</sup> Delivering Member

<sup>2</sup> Receiving Member

## ATTACHMENT R

### North American Electric Reliability Council Transmission Loading Relief (“TLR”) Procedure (NERC - March 18, 1998)

#### Requirements

NOTE: TLR Levels refer to NERC’s Transmission Loading Relief Procedure found in Appendix C.

1. **Interchange Transaction information.** The SECURITY COORDINATOR shall ensure that information on all INTERCHANGE TRANSACTIONS is available.
  - 1.1 **Interchange Distribution Calculator.** In the Eastern Interconnection, the SECURITY COORDINATOR shall ensure that all INTERCHANGE TRANSACTIONS are entered into the interim Interchange Distribution Calculator.
2. **Notify SECURITY COORDINATORS of potential problems.** The SECURITY COORDINATOR that foresees a transmission problem within his SECURITY AREA shall notify all SECURITY COORDINATORS via the SCIS as soon as the condition is observed. (TLR Level 1)
3. **Implement relief procedures (if needed).** If transmission loading progresses or is projected to progress beyond the OPERATING SECURITY LIMIT, the SECURITY COORDINATOR will perform the following procedures as necessary:
  - 3.1 **Manage INTERCHANGE TRANSACTIONS.** The SECURITY COORDINATORS will continue to manage INTERCHANGE TRANSACTIONS through their respective CONTROL AREAS during this period to avoid aggravating the OPERATING SECURITY LIMIT violation.
    - 3.1.1. **Assist control areas in alleviating the loading.** The SECURITY COORDINATOR shall assist the CONTROL AREA(S) in alleviating the OPERATING SECURITY LIMIT violation.
    - 3.1.2. **Halt additional INTERCHANGE TRANSACTIONS.** The SECURITY COORDINATOR may halt the implementation of any additional Interchange Transactions that would increase the loading over the Constrained Facility. (TLR 2a)
      - 3.1.2.1. **Exceptions.** The SECURITY COORDINATOR may allow additional INTERCHANGE TRANSACTIONS that flow across the constrained facility if their flow reduces or does not aggravate the OPERATING SECURITY LIMIT violation.
    - 3.1.3. **Reallocate transmission service.** The SECURITY COORDINATOR may reallocate the use of the transmission system to allow certain INTERCHANGE TRANSACTIONS using Firm Transmission



Service, or Non-firm Transmission Service, by curtailing INTERCHANGE TRANSACTIONS using lower priority Transmission Service. (TLR 2b and 2c)

- 3.1.4. IDC Updates.** The SECURITY COORDINATOR must enter into the IDC all INTERCHANGE TRANSACTION changes that result from the procedures in Section 3.
- 3.2. Select transmission loading relief procedure.** The SECURITY COORDINATOR experiencing a constraint on a transmission system within his Security Area shall, at his discretion, select from either a location transmission loading relief procedure or the NERC Transmission Loading Relief (TLR) Procedure as explained in Sections 3.3 and 3.4 below: (TLR Levels 3, 4, and 5)
- 3.3. Location transmission loading relief procedure.** The SECURITY COORDINATOR may use Regional, Interregional, or subregional curtailment plans, if those plans include the transmission system experiencing the constraint, to provide the transmission relief.
- 3.4. NERC Transmission Loading Relief Procedure.** The SECURITY COORDINATOR may use the NERC Transmission Loading Relief (TLR) Procedure as detailed in Appendix C.
- 3.4.1. Initiation.** The NERC Transmission Loading Relief Procedure may be initiated only by a SECURITY COORDINATOR at the SECURITY COORDINATOR'S own request or upon the request of a Transmission Provider or CONTROL AREA.
- 3.4.2. Notification.** The SECURITY COORDINATOR initiating the TLR Procedure shall inform all other SECURITY COORDINATORS via the Security Coordinator Information System (SCIS) that the Transmission Loading Relief Procedure has been implemented.
- 3.4.2.1. Actions expected.** The SECURITY COORDINATOR initiating the TLR Procedure shall indicate the actions expected to be taken by other SECURITY COORDINATORS.
- 3.4.2.2. Updates.** At least ever two hours, the SECURITY COORDINATOR implementing the TLR Procedure shall update all other SECURITY COORDINATORS via the SCIS, as well as the affected Transmission Providers.
- 3.4.3. Obligations.** All SECURITY COORDINATORS must comply with the request of the SECURITY COORDINATOR who initiated the TLR Procedure, unless the initiating SECURITY COORDINATOR agrees otherwise.
- 3.4.3.1. CONTROL AREA notification.** The SECURITY COORDINATOR for the SINK CONTROL AREA whose INTERCHANGE TRANSACTIONS are contributing to the OPERATING SECURITY LIMIT violation shall direct that CONTROL AREA to curtail those INTERCHANGE TRANSACTIONS.

- 3.4.3.1.1. Notification order.** Within a Transmission Service priority level, the SINK CONTROL AREAS whose INTERCHANGE TRANSACTIONS have the largest impact on the Constraints shall be notified first if practicable.
- 3.4.3.1.2. Transactions proportionally curtailed.** INTERCHANGE TRANSACTIONS shall be curtailed on a proportional basis as specified in Appendix C, “Transmission Loading Relief Procedure,” Section D, “Transaction Curtailment Formula.”
- 3.4.3.2. Obligations to redispatch generation and reconfigure transmission.** SECURITY COORDINATORS shall coordinate generation redispatch and transmission reconfiguration according to Appendix C, “NERC Transmission Loading Relief Procedure,” Section C, “Principles for Mitigating Constraints on and off the Contract Path.”
- 3.4.3.3. Logging.** The SECURITY COORDINATOR shall complete the NERC Transmission Loading Relief Procedure Log (Section E), and send a copy of the log via e-mail to the NERC staff. The staff will post these on the NERC web site upon receipt.
- 4. Implement emergency procedures.** If the transmission loading condition is deemed critical to bulk system reliability by a SECURITY COORDINATOR, the SECURITY COORDINATOR has the authority to immediately direct the CONTROL AREAS to redispatch generation or reduce load to mitigate the critical condition until INTERCHANGE TRANSACTIONS can be reduced utilizing the TLR Procedures, or other procedures, to return the system to a reliable state. All CONTROL AREAS shall comply with all requests from their SECURITY COORDINATOR.
- 5. INTERCHANGE TRANSACTION restoration and notification.** The SECURITY COORDINATOR initiating the TLR Procedure shall notify all SECURITY COORDINATORS via the SCIS when the OPERATING SECURITY LIMIT Violations are mitigated and the system is in a “normal” state and allow INTERCHANGE TRANSACTIONS to be implemented. (TLR Level 0)

### *Terms*

**Security Area.** The group of CONTROL AREAS under the purview of a SECURITY COORDINATOR.

**SECURITY COORDINATOR Function.** The process of maintaining bulk transmission security for a CONTROL AREA, group of CONTROL AREAS, subregion, etc.

**SECURITY COORDINATOR.** The entity with responsibility and authority for directing the implementation of operating actions as part of the SECURITY COORDINATOR Function.

**Interchange Transaction.** An agreement, arranged by a PURCHASING-SELLING ENTITY'S merchant function, to transfer energy from a point of receipt to a point of delivery.

**Interchange Distribution Calculator.** The mechanism used by Security Coordinators in the Eastern Interconnection to calculate the distribution of INTERCHANGE TRANSACTIONS over specific transmission interfaces, which are known as "Flowgates." It includes a data base of all Interchange Transactions and a matrix of the Power Transfer Distribution Factors for the Eastern Interconnection.

**Power Transfer Distribution Factor (PTDF).** The portion of an INTERCHANGE TRANSACTION, expressed in per unit that flows across a transmission facility (Flowgate).

**Flowgate.** A location on the transmission system for which a Power Transfer Distribution Factor is included in the Interchange Distribution Calculator.

**Source Control Area.** The CONTROL AREA in which the source (generation) is located for an INTERCHANGE TRANSACTION. (This will also be a SENDING CONTROL AREA for the resulting INTERCHANGE SCHEDULE.)

**Sink Control Area.** The CONTROL AREA in which the sink (load) is located for an INTERCHANGE TRANSACTION. (This will also be a RECEIVING CONTROL AREA for the resulting INTERCHANGE SCHEDULE.)

**Constrained Facility.** A transmission facility (line, transformer, breaker, etc.) that is approaching, is at, or is beyond its OPERATING SECURITY LIMIT.

**Constraint.** A limitation placed on INTERCHANGE TRANSACTIONS that flow over a CONSTRAINED FACILITY.

# Appendix C – Transmission Loading Relief Procedure

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## Appendix Subsections

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- A. Transmission Loading Relief (TLR) Levels
  - B. Transaction Management and Curtailment Process
  - C. Principles for Mitigating Constraints On and Off the Contract Path
  - D. Transaction Curtailment Formula
- 

### Introduction

When a SECURITY COORDINATOR identifies or is informed that transmission facilities within his SECURITY AREA are about to exceed, or have exceeded, their OPERATING SECURITY LIMIT, the SECURITY COORDINATOR shall, at his discretion, use either:

- A “local” transmission loading relief procedure if that procedure includes the transmission system with the CONSTRAINED FACILITY, or
- The NERC Transmission Loading Relief Procedure as detailed in this Appendix.

The NERC Transmission Loading Relief Procedure provides SECURITY COORDINATORS with an orderly process to maintain or return transmission equipment loading to within OPERATING SECURITY LIMITS. The Procedure includes nine Levels:

Level 1 – Notify SECURITY COORDINATORS of potential OPERATING SECURITY LIMIT violations

Level 2a – Hold INTERCHANGE TRANSACTIONS at current levels to prevent OPERATING SECURITY LIMIT violations

Level 2b – Reallocate Firm Transmission Service

Level 2c – Reallocate Nonfirm Transmission Service

Level 3 – Curtail INTERCHANGE TRANSACTIONS served by Nonfirm Transmission Service Arrangements

Level 4 – Reconfigure Transmission and Redispatch Generation

Level 5 – Curtail INTERCHANGE TRANSACTIONS served by Firm Transmission Service Arrangements

Level 6 – Implement Emergency Procedures

Level 0 – TLR Concluded

### Holding Interchange Transactions

If an OPERATING SECURITY LIMIT violation is imminent, SECURITY COORDINATORS may direct their CONTROL AREAS to neither change existing INTERCHANGE TRANSACTIONS nor confirm additional INTERCHANGE TRANSACTIONS, based on a 5% or greater PTDF as identified by the SECURITY COORDINATORS, in a manner that will aggravate the condition (for example, changing the transmission contract path but not the actual source and sink).

### Curtailing Interchange Transactions

Should curtailment become necessary, *all* INTERCHANGE TRANSACTIONS, including INTERCHANGE TRANSACTIONS between adjacent control areas, whose PTDF across the specific constrained facility is equal to or greater than 5% shall be curtailed whenever practicable on a proportional basis and according to these Procedures (**See Section A., “NERC Transmission Loading Relief Levels,” and Section D, “Transaction Curtailment Formula.”**)

Curtailment of INTERCHANGE TRANSACTIONS follows the FERC pro forma tariff with regard to Transmission Service priorities:

- Priority 1. Service over secondary receipt and delivery points – NS
- Priority 2. Hourly Service – NH
- Priority 3. Daily Service – ND
- Priority 4. Weekly Service – NW
- Priority 5. Monthly Service – NM
- Priority 6. Nonfirm imports for native load and network customers from sources not designated as network resources – NN
- Priority 7. Firm Service – F

#### **Interchange Transaction Priority on the Contract Path**

If the INTERCHANGE TRANSACTION is served by two or more consecutive Transmission Providers (“links”) on a contract path, the curtailment priority will be equal to the *lowest* Transmission Service priority arranged for over the links on the path. However, any Interchange Transaction that is served by Firm Transmission Service will be considered as a Firm Transaction if the constraint is on that Firm Transmission Service link.

#### **Emergency Procedures**

NERC recognizes that Transmission Providers are subject to obligations under FERC-approved tariffs and other agreements, and nothing in these procedures should be interpreted as changing those obligations. However, if the transmission loading condition is deemed critical to bulk system reliability by a SECURITY COORDINATOR, the SECURITY COORDINATOR has the authority to immediately direct the control areas to redispatch generation, reconfigure transmission, or reduce load to mitigate the critical condition until INTERCHANGE TRANSACTIONS can be reduced utilizing the TLR Procedures, or other methods, to return the system to a reliable state. All CONTROL AREAS shall comply with all requests from their SECURITY COORDINATOR. However, the CONTROL AREA operator should immediately notify his SECURITY COORDINATOR if the SECURITY COORDINATOR’s request is unclear or would seem to cause an operating problem.

#### **Return to Normal Operations**

The SECURITY COORDINATOR that is experiencing the constraint within its SECURITY AREA shall notify all SECURITY COORDINATORS when the adverse conditions are mitigated and the system is in a “normal” state.

#### **Transmission Provider Obligations**

These procedures do not absolve any Transmission Provider from its transmission tariff obligations.

## **A. Transmission Loading Relief (TLR) Levels**

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### **Introduction**

The NERC Transmission Loading Relief Procedure is a nine-level process for managing Interchange Transactions and mitigating OPERATING SECURITY LIMIT violations. SECURITY COORDINATORS must keep the Transmission Providers informed when entering and leaving these TLR levels.

The Security Coordinators may not necessarily follow these TLR Levels in their numerical order. Furthermore, if a SECURITY COORDINATOR deems that a transmission loading condition could jeopardize bulk system reliability, the SECURITY COORDINATOR has the authority to immediately direct the CONTROL AREAS to redispatch generation, or reconfigure transmission, or reduce load to mitigate the critical condition until INTERCHANGE TRANSACTIONS can be reduced utilizing the TLR Procedures, or other methods, to return the system to a secure state.

The TLR Procedure is guided by information obtained from the interim Interchange Distribution Calculator (iIDC). Security Coordinators must also treat known INTERCHANGE TRANSACTIONS that may not appear in the iIDC in accordance with the procedures in this document.

### **Level 1 – Notify Security Coordinators of potential Operating Security Limit Violations**

- The transmission system is secure.
- The SECURITY COORDINATOR foresees a transmission contingency or other operating problem within his SECURITY AREA that could cause one or more transmission facilities to exceed their OPERATING SECURITY LIMIT.

The SECURITY COORDINATOR shall notify all SECURITY COORDINATORS as soon as the condition is observed. All affected SECURITY COORDINATORS shall check to ensure that INTERCHANGE TRANSACTIONS are posted in the (Interim) Interchange Distribution Calculator.

### **Level 2a – Hold transfers at present level to prevent Operating Security Limit Violations**

- The transmission system is secure,
- One or more transmission facilities are expected to approach, or are approaching, or are at their OPERATING SECURITY LIMIT.
- The SECURITY COORDINATOR will assist the CONTROL AREAS and Transmission Providers to ensure that the loading on these CONSTRAINED FACILITIES does not increase, and not allow additional INTERCHANGE TRANSACTIONS that increase the loading on the CONSTRAINED FACILITIES based on a 5% or greater Power Transfer Distribution Factor (PTDF).

During Level 2a, new Interchange Transactions, whether pre-scheduled or not, will not be allowed to begin, nor will existing Interchange Transactions be allowed to increase if they increase the loading on the CONSTRAINED FACILITIES based on a 5% or greater PTDF.

NOTE: The Security Coordinator should allow INTERCHANGE TRANSACTIONS that reduce the loading on the CONSTRAINED FACILITIES as long as the INTERCHANGE TRANSACTION does not cause another OPERATING SECURITY LIMIT VIOLATION.

The SECURITY COORDINATOR may then proceed to reallocate Firm Transmission service (TLR Level 2b), and then Nonfirm service (Level 2c).

### **Level 2b – Reallocation of Firm Transmission Service**

- The transmission system is secure
- One or more transmission facilities are expected to approach, or are approaching, or are at their OPERATING SECURITY LIMIT
- All new INTERCHANGE TRANSACTION requests with a 5% or greater PTDF over the CONSTRAINED FACILITIES are being held.

At this point, the Security Coordinator shall, using best efforts, begin to reallocate the use of the transmission system to:

- Allow a pre-scheduled INTERCHANGE TRANSACTION with a pre-existing Firm Transmission Service reservation to begin, and, as necessary, curtail INTERCHANGE TRANSACTIONS with Nonfirm reservations for those INTERCHANGE TRANSACTIONS that impact the CONSTRAINED FACILITIES, even if those INTERCHANGE TRANSACTIONS are already flowing.
- Allow as soon as practicable a non-pre-scheduled INTERCHANGE TRANSACTION with a pre-existing Firm reservation to begin, and, as necessary, curtail INTERCHANGE TRANSACTIONS with Nonfirm Reservations that impact the CONSTRAINED FACILITIES, even if those INTERCHANGE TRANSACTIONS are already flowing.

And then:

- If all INTERCHANGE TRANSACTIONS with Nonfirm Reservations have been curtailed, the SECURITY COORDINATOR shall ask the Transmission Provider(s) providing Firm Transmission Service over the CONSTRAINED FACILITIES to redispatch generation or reconfigure transmission on their system, or arrange for redispatch or reconfiguration on other transmission systems if such agreements are in place, to mitigate the constraint to allow INTERCHANGE TRANSACTIONS with Firm Reservations to begin.
- Displace, by curtailment on a pro-rata basis (based on the transmission reservation), other INTERCHANGE TRANSACTIONS using Firm Transmission service that contribute to the loading of the CONSTRAINED FACILITIES.

NOTE: When displacing other INTERCHANGE TRANSACTIONS, the SECURITY COORDINATOR may, at his option, ask for these curtailments solely from the Transmission Providers within the SECURITY COORDINATOR'S SECURITY AREA, or may turn to other SECURITY COORDINATORS for assistance from Transmission Providers in their SECURITY AREAS. All INTERCHANGE TRANSACTION changes or curtailments must be entered into the iIDC.

### **Level 2c – Reallocation of Nonfirm Transmission Service**

- The transmission system is secure
- One or more transmission facilities are expected to approach, or are approaching, or are at their OPERATING SECURITY LIMIT
- All INTERCHANGE TRANSACTION requests using Firm Transmission service have been accommodated
- All new INTERCHANGE TRANSACTION requests with a 5% or greater PTDF over the CONSTRAINED FACILITIES using Nonfirm Transmission service are being held

At this point, the Security Coordinator shall, using best efforts, begin to reallocate the use of the transmission system to:

- Allow a pre-scheduled INTERCHANGE TRANSACTION with a Nonfirm Transmission Service reservation to begin, and, as necessary, curtail Interchange Transactions of lower priority for those INTERCHANGE TRANSACTIONS that impact the CONSTRAINED FACILITIES, even if those INTERCHANGE TRANSACTIONS are already flowing.
- Displace, by curtailment on a pro-rata basis (based on the transmission reservation), other Interchange Transactions using the same priority transmission service that contribute to the loading on the CONSTRAINED FACILITIES.

**Level 3 – Curtail Interchange Transactions using Nonfirm Transmission Service Arrangements**

- One or more Transmission Facilities are exceeding or expecting to exceed their OPERATING SECURITY LIMIT, or
- One or more Transmission Facilities *will* exceed their OPERATING SECURITY LIMIT upon the removal of service of another transmission facility

INTERCHANGE TRANSACTIONS with a 5% or greater PTDF over the CONSTRAINTS using Nonfirm Transmission Service are curtailed in the following order. NOTE: The two-character abbreviations correspond to Transmission Service on the Transaction Information Template (“tag”).

|             |   |
|-------------|---|
| Priority 1. | Service over secondary receipt and delivery points – NS   |
| Priority 2. | Hourly Service – NH   |
| Priority 3. | Daily Service – ND  |
| Priority 4. | Weekly Service – NW   |
| Priority 5. | Monthly Service – NM  |
| Priority 6. | Nonfirm imports for native load and network customers from sources not designated as network resources – NN |

**Level 4 – Reconfigure and Redispatch**

- One or more Transmission Facilities are above their OPERATING SECURITY LIMIT.
- All Nonfirm Interchange Transactions using Nonfirm Transmission Service have been curtailed.

Following the curtailment of all INTERCHANGE TRANSACTIONS that impact the CONSTRAINED FACILITIES served by Nonfirm Transmission Service in Level 3 above, the SECURITY COORDINATOR(S) and affected Transmission Providers will determine whether or not the OPERATING SECURITY LIMIT violation has been relieved. If INTERCHANGE TRANSACTIONS served by Firm Transmission Service continue to contribute to the CONSTRAINED FACILITIES, and before proceeding to the Curtailment of INTERCHANGE TRANSACTIONS using Firm Transmission Service Arrangements in Level 5 below, certain Transmission Providers may be obligated to redispatch generation or reconfigure transmission on their system, or arrange for redispatch or reconfiguration on other transmission systems, to mitigate the constraint. Specific details are explained in **Section C., “Principles for Mitigating Constraints On and Off the Contract Path.”**



**Level 5 – Curtail Interchange Transactions using Firm Transmission Service Arrangements**

- One or more Transmission Facilities are above their OPERATING SECURITY LIMIT.
- All Nonfirm INTERCHANGE TRANSACTIONS using Nonfirm Transmission Service have been curtailed.
- No further generation redispatch or transmission reconfiguration is possible or effective.

At this point, the Security Coordinator shall curtail INTERCHANGE TRANSACTIONS with a 5% or greater PTDF over the CONSTRAINED FACILITIES using Firm Transmission Service on a pro-rata basis until the OPERATING SECURITY LIMIT violation has been mitigated.

|                              |
|------------------------------|
| Priority 7. Firm Service – F |
|------------------------------|

**Level 6 – Implement emergency procedures**

- One or more Transmission Facilities are above their OPERATING SECURITY LIMIT.

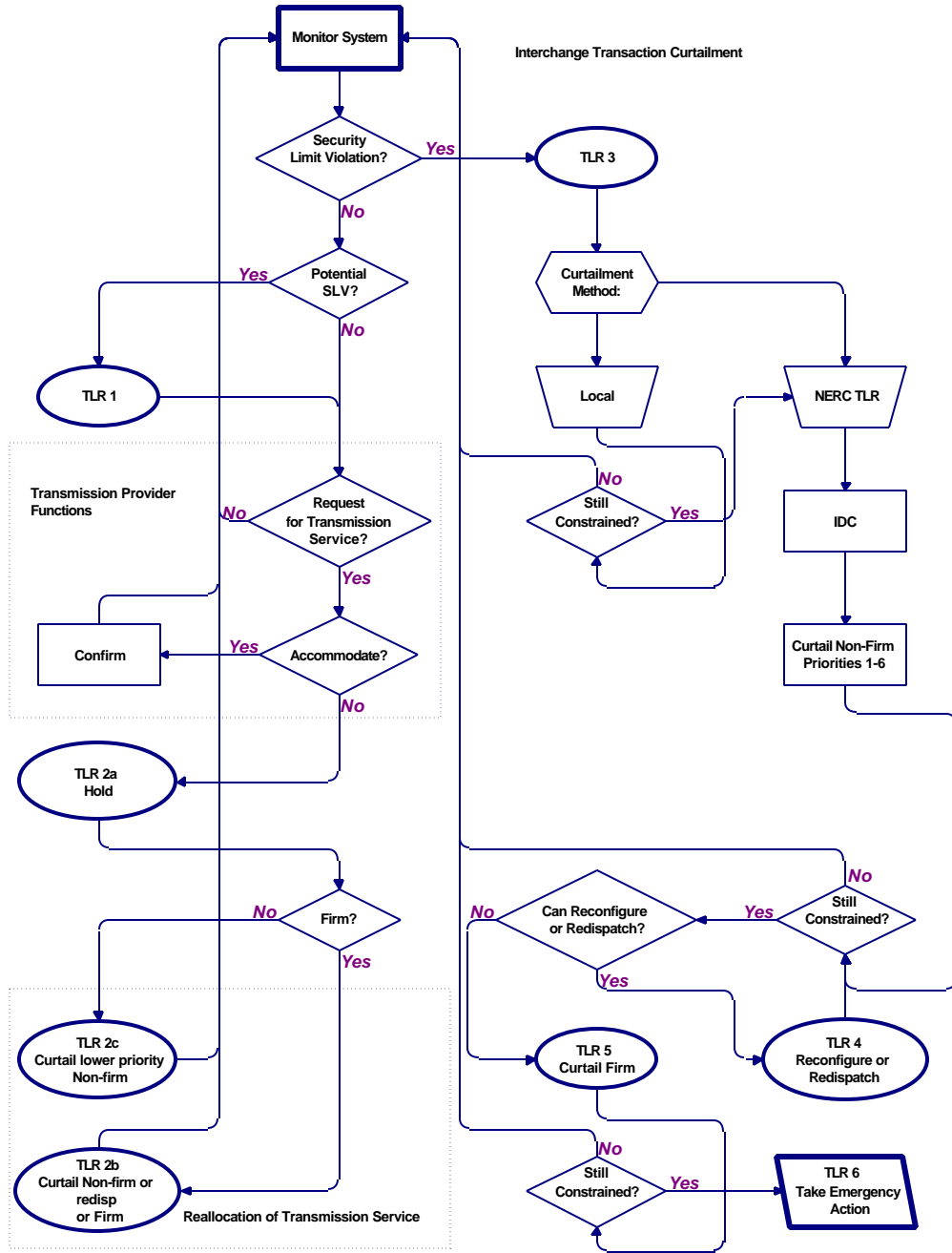
If the transmission loading condition is deemed critical to bulk system reliability by a SECURITY COORDINATOR, the SECURITY COORDINATOR has the authority to immediately direct the CONTROL AREAS to redispatch generation, or reconfigure transmission, or reduce load to mitigate the critical condition until INTERCHANGE TRANSACTIONS can be reduced utilizing the TLR Procedures or other procedures to return the system to a secure state. All CONTROL AREAS shall comply with all requests from their SECURITY COORDINATOR.

**Level 0 – TLR concluded**

The SECURITY COORDINATOR of the SECURITY AREA that is experiencing the problem shall notify all SECURITY COORDINATORS when the adverse conditions are mitigated and the system is in a “normal” state. The SECURITY COORDINATOR may now reestablish INTERCHANGE TRANSACTIONS at his discretion.

## B. Transaction Management and Curtailment Process

This flowchart depicts an overview of the Transaction Management and Curtailment process. Detailed decisions are not shown.



## C. Principles for Mitigating Constraints On and Off the Contract Path

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### Introduction

Reserving transmission service for an INTERCHANGE TRANSACTION along a “contract path” may not reflect the actual distribution of the power flows over the transmission network from generation source to load sink. INTERCHANGE TRANSACTIONS arranged over a contract path may, therefore, overload transmission elements on other electrically parallel paths. The SECURITY COORDINATORS must agree on how the NERC Transmission Loading Relief Procedure will handle these INTERCHANGE TRANSACTIONS to, first, ensure the operational security of the Interconnection and, second, respect the obligations of the Transmission Provider. It is also important to agree on the obligations of the Transmission Providers on and off the contract path regarding reconfiguring their transmission systems and redispatching their generation to mitigate an overload on their own system, and others’.

Refer to examples on following page.

### For Constraints on the Contract Path

1. A Transmission Provider providing nonfirm Transmission Service is *not* obligated to arrange for generation redispatch or transmission reconfiguration to mitigate CONSTRAINTS on its transmission system. The transaction is considered nonfirm, even if other links in the contract path are firm, and takes on the lowest transmission service priority along the contract path.

**Discussion.** The Transmission Provider simply has to call its SECURITY COORDINATOR for TLR and allow the curtailments to progress until the relief is realized. Firm Transmission Service links elsewhere in the contract path do not obligate Transmission Providers providing nonfirm service to treat the transaction as firm. For curtailment purposes, the INTERCHANGE TRANSACTION’S priority will be the lowest priority Transmission Service on its contract path unless the constraint is on a link for which Firm Transmission Service was arranged. (See Principle #2 below.)

2. A Transmission Provider providing Firm Transmission Service *is* obligated to redispatch its generation or reconfigure its transmission system to mitigate constraints on its transmission system before curtailing firm INTERCHANGE TRANSACTIONS that are called for under the TLR. This obligation exists regardless of whether the other links in the contract path are firm or nonfirm. Furthermore, for curtailment purposes an INTERCHANGE TRANSACTION will be considered Firm if the constraint is on a link for which Firm Transmission Service was arranged, regardless of whether the other links in the contract path are firm or non-firm.

**Discussion.** The Transmission Provider providing Firm Transmission Service is obligated to transfer the energy from its point of receipt to its point of delivery regardless of the arrangements the Transmission Customer has made with other Transmission Providers along the contract path. However, other Transmission Providers along the firm path may redispatch generation or reconfigure transmission at the request of the Transmission Provider providing Firm Transmission Service with the constraint if agreements are in place to do so.

**For Constraints off the Contract Path**

3. A Transmission Provider providing Nonfirm Transmission Service is *not* obligated to redispatch generation or reconfigure transmission to mitigate CONSTRAINTS on any transmission system off the contract path unless there are agreements in place to curtail on-system INTERCHANGE TRANSACTIONS, redispatch generation, or reconfigure transmission.

**Discussion.** An INTERCHANGE TRANSACTION arranged over a contract path where one or more individual links consist of Nonfirm Transmission Service is considered a nonfirm INTERCHANGE TRANSACTION for CONSTRAINTS off the contract path. All such INTERCHANGE TRANSACTIONS with a 5% or greater PTDF over the CONSTRAINTS will be curtailed to relieve a CONSTRAINT off the contract path before any firm INTERCHANGE TRANSACTIONS are curtailed. The priority level for curtailment purposes will be the *lowest* level of transmission service arranged for on the contract path.

Firm links in a transmission contract path do not make the entire path firm, they only ensure that the Transmission Providers providing those firm links will treat the INTERCHANGE TRANSACTION as firm with respect to their own system. The link with the lowest level priority defines the priority for the INTERCHANGE TRANSACTION.

4. A INTERCHANGE TRANSACTION arranged over a contract path where all the individual links are provided as Firm Transmission Service is considered a firm INTERCHANGE TRANSACTION and will *not* be curtailed to relieve a CONSTRAINT off the contract path until all nonfirm INTERCHANGE TRANSACTIONS with a 5% or greater PTDF over the CONSTRAINTS have been curtailed. The SECURITY COORDINATOR will determine which CONTROL AREAS will arrange for generation redispatch or transmission reconfiguration to mitigate the CONSTRAINT.

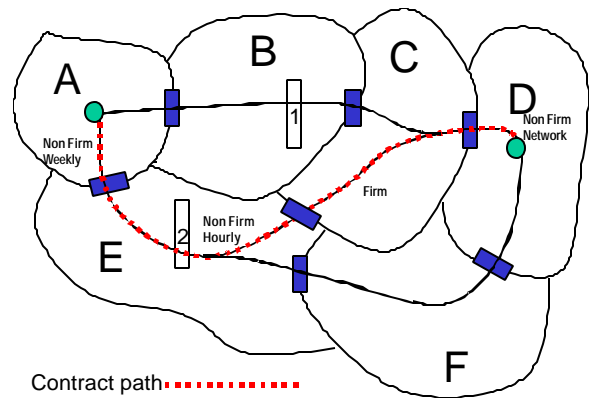
**Discussion.** If the entire contract path is Firm, then the TLR procedure will treat the INTERCHANGE TRANSACTION as firm even for CONSTRAINTS off the contract path and will not curtail that INTERCHANGE TRANSACTION until all nonfirm INTERCHANGE TRANSACTIONS have been curtailed. However, Transmission Providers off the contract path are not obligated to reconfigure their transmission system or redispatch their generation unless special arrangements are in place. Because the INTERCHANGE TRANSACTION is considered firm “everywhere,” the SECURITY COORDINATOR may attempt to arrange for Transmission Providers or CONTROL AREAS to redispatch generation or reconfigure transmission, even if they are off the contract path, to try to avoid curtailing the INTERCHANGE TRANSACTION that is using Firm Transmission Service. If agreements are in place to provide for redispatch or reconfiguration to relieve the CONSTRAINT, these agreements should be evaluated by the SECURITY COORDINATOR before asking others to redispatch or reconfigure.

**Examples**

This section explains by example the obligations of the Transmission Providers on and off the contract path regarding reconfiguring transmission, redispatching generation, and calling for Transmission Loading Relief. (References to Principles refer to **Section C, “Principles for Mitigating Constraints On and Off the Contract Path,”** on the preceding pages.

Scenario:

- INTERCHANGE TRANSACTION arranged from system A to system D
- Contract path is A-E-C-D (except as noted)
- Locations 1 and 2 denote CONSTRAINTS

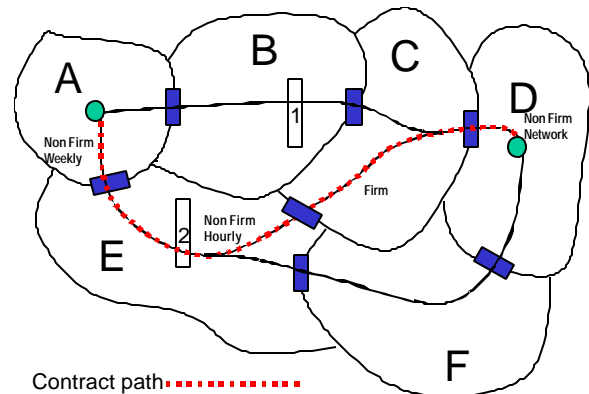


Case 1: E is a nonfirm path, C is firm; E has CONSTRAINT at #2.

- E is *not* obligated to redispatch generation or reconfigure transmission to mitigate CONSTRAINT #2. (Principle 1) Although C is providing Firm Service, the CONSTRAINT is not on C’s system, and C is not obligated to redispatch generation or reconfigure its transmission system to mitigate the CONSTRAINT on E’s system.
- E may call SECURITY COORDINATOR for TLR Procedure to relieve overload at CONSTRAINT #2. (Req. C.3.4.1.)
- INTERCHANGE TRANSACTION A-D may be curtailed by TLR action as though it was being served by Nonfirm Hourly Transmission Service, even though it was using firm service from C. That is, it takes on the lowest priority within the contract path. (Principle 1)

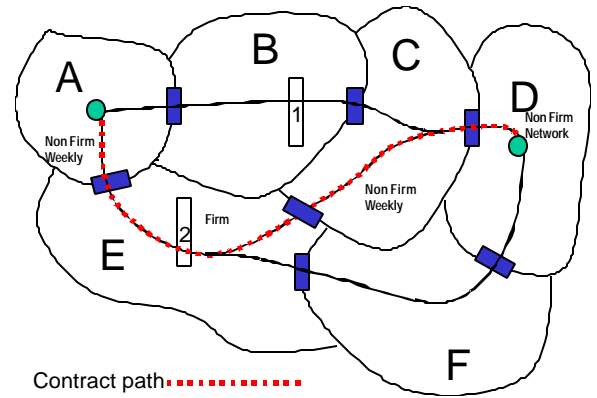
Case 2: E is a nonfirm path, C is firm B has CONSTRAINT at #1.

- B may call SECURITY COORDINATOR for TLR Procedure to relieve overload at CONSTRAINT #1. (Req. C. 3.4.1.)
- B is *not* obligated to redispatch generation or reconfigure transmission to mitigate CONSTRAINT at CONSTRAINT #1. (Principle 3)
- INTERCHANGE TRANSACTION A-D may be curtailed by TLR action as though it was being served by Nonfirm Hourly Transmission Service, even if it was using firm Transmission Service elsewhere on the path. That is, it takes on the lowest priority within the contract path. (Principle 3)



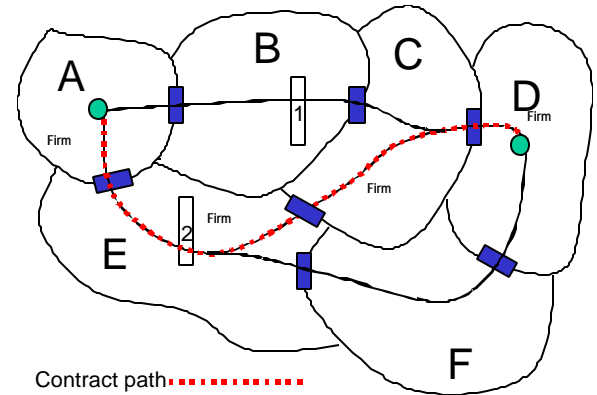
Case 3: E is a firm path A, D, and C are Nonfirm; E has CONSTRAINT at #2.

- Interchange Transaction A – D is considered Firm priority for curtailment purposes.
- E may then call SECURITY COORDINATOR for TLR. (Req. C. 3.4.1.)
- E is obligated to redispatch generation or reconfigure transmission to mitigate CONSTRAINT #2 in E before E may curtail the INTERCHANGE TRANSACTION as ordered by the TLR. (Principle 2)



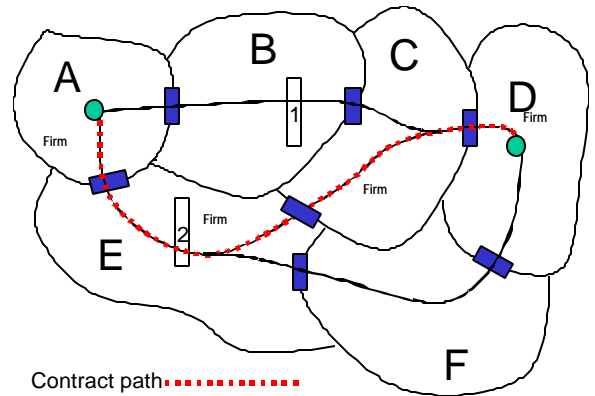
Case 4: The entire path (A-E-C-D) is firm; E has CONSTRAINT at #2.

- INTERCHANGE TRANSACTION A – D is considered Firm priority for curtailment purposes.
- E may call SECURITY COORDINATOR for TLR, which would curtail all nonfirm INTERCHANGE TRANSACTIONS first. (Req. C.3.4.1.)
- E is obligated to curtail nonfirm INTERCHANGE TRANSACTIONS, and then redispatch generation or reconfigure transmission on its system, or, if there is an agreement in place, arrange for redispatch or reconfiguration on another system, to mitigate CONSTRAINT #2 in E before the firm A-D transaction is curtailed. (Principle 2)
- A, C, D, may be requested by E to redispatch generation or reconfigure transmission to mitigate CONSTRAINT #2 in E at E's expense. (Principle 2)



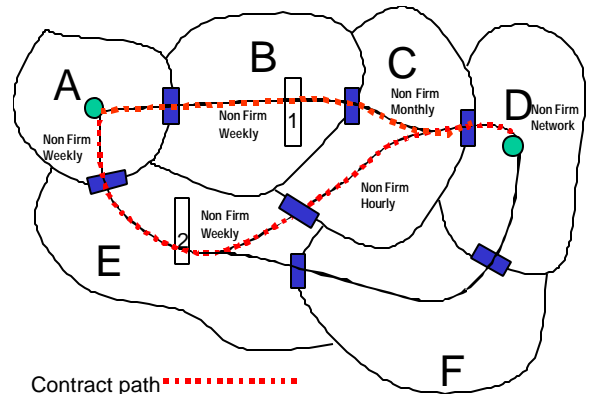
Case 5: The entire path (A-E-C-D) is firm; B has CONSTRAINT at #1.

- INTERCHANGE TRANSACTION A – D is considered Firm priority for curtailment purposes.
- B may call SECURITY COORDINATOR for TLR Procedure for all *nonfirm* INTERCHANGE TRANSACTIONS that contribute to the overload at CONSTRAINT #1. (Req. C. 3.4.1.)
- Following the curtailment of all nonfirm INTERCHANGE TRANSACTIONS, the SECURITY COORDINATOR(s) will determine which CONTROL AREA(S) will redispatch their generation or reconfigure their transmission to mitigate constraint #1. (Principle 4)
- A-D transaction may be curtailed as a result. However, the A-D transaction is treated as a firm INTERCHANGE TRANSACTION and will be curtailed only after nonfirm INTERCHANGE TRANSACTIONS. (Note: This means that the firm contract path is respected by all parties, including those not on the contract path.) (Principle 4)



Case 6: Two A-to-D transactions using A-B-C-D and A-E-C-D; A and B are nonfirm; B has CONSTRAINT at #1

- B is not obligated to redispatch generation or reconfigure transmission to mitigate CONSTRAINT at #1. (Principle 1)
- B may call for TLR Procedure to relieve overload at CONSTRAINT #1. (Req. C.3.4.1)
- Both A – D INTERCHANGE TRANSACTIONS are subject to curtailment because they have the same PTDF across CONSTRAINT #1. However, INTERCHANGE TRANSACTION A – D using the A-B-C-D path is assigned a higher priority (NW), and would not be curtailed until after the Transaction using the path A-E-C-D (NH).



## D. Transaction Curtailment Formula

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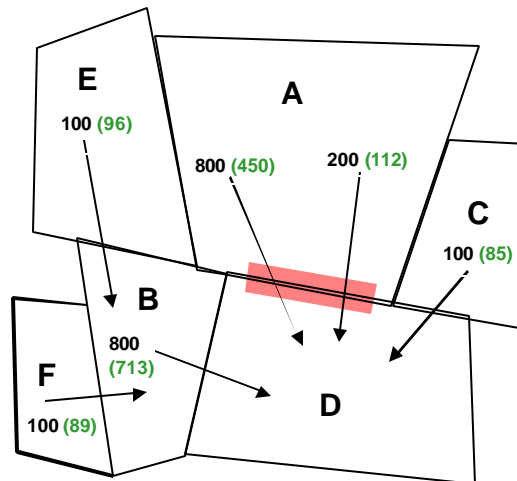
### Example

This example is based on the premise that a transaction should be curtailed in proportion to its PTFD on the CONSTRAINTS. Its effect on the interface is a combination of its size in MW and its effect based on its distribution factor.

| Column                                  | Description   |
|---|---|
| 1. Initial Transaction                  | INTERCHANGE TRANSACTION before the TLR Procedure is implemented.  |
| 2. Distribution Factor                  | Proportional effect of the Transaction over the constrained interface due to the physical arrangement and impedance of the transmission system.   |
| 3. Impact on the Interface              | Result of multiplying the Transaction MW by the distribution factor. This yields the MW that flow through the constrained interface from the Transaction. Performing this calculation for each Transaction yields the total flow through the constrained interface from all the INTERCHANGE TRANSACTIONS. In this case, 760 MW. |
| 4. Impact Weighting Factor              | “Normalization” of the total of the Distribution Factors in Column 2. Calculated by dividing the Distribution Factor for each Transaction by the total of the Distribution Factors.   |
| 5. Weighted Maximum Interface Reduction | Multiplying the Impact on the Interface from each Transaction by its Impact Weighting Factor yields a new proportion that is a combination of the MW Impact on the Interface and the Distribution Factor.   |
| 6. Interface Reduction                  | Multiplying the amount we need to reduce the flow over the constrained interface (280 MW) by the normalization of the Weighted Maximum Interface Reduction yields the actual MW reduction that each Transaction must <i>contribute</i> to achieve the total reduction.  |
| 7. Transaction Reduction                | Now we have to divide by the Distribution Factor to see how much the Transaction must be reduced to yield the result we calculated in Column 7. Note that the reductions for the first two INTERCHANGE TRANSACTIONS (A-D (1) and A-D (2) are in proportion to their size since their distribution factors are equal.            |
| 8. New Transaction Amount               | Subtracting the Transaction Reduction from the Initial Transaction yields the New Transaction Amount.   |
| 9. Adjusted Impact on Interface         | A check to ensure the new constrained interface MW flow has been reduced to the target amount.  |



| Allocation based on Weighted Impact |                     |                     |                                |                                       |   |   |                                  |                                   |   |
|-------------------------------------|---------------------|---------------------|--------------------------------|---------------------------------------|---|---|----------------------------------|-----------------------------------|---|
|                                     | 1                   | 2                   | 3                              | 4                                     | 5   | 6   | 7                                | 8                                 | 9                                       |
| Transaction ID                      | Initial Transaction | Distribution Factor | (1)*(2)<br>Impact On Interface | (2)/(2TOT)<br>Impact weighting factor | (3)*(4)<br>Weighted Max Interface Reduction | (5)*(6 Tot)<br>(5 Tot)<br>Interface Reduction | (6)/(2)<br>Transaction Reduction | (1)-(7)<br>New Transaction Amount | (8)*(2)<br>Adjusted Impact On Interface |
| <b>Example 1</b>                    |                     |                     |                                |                                       |   |   |                                  |                                   |   |
| A-D(1)                              | 800                 | 0.6                 | 480                            | 0.34                                  | 164.57                                      | 209.73  | 349.54                           | 450.46                            | 270.27                                  |
| A-D(2)                              | 200                 | 0.6                 | 120                            | 0.34                                  | 41.14                                       | 52.43   | 87.39                            | 112.61                            | 67.57                                   |
| B-D                                 | 800                 | 0.15                | 120                            | 0.09                                  | 10.29                                       | 13.11   | 87.39                            | 712.61                            | 106.89                                  |
| C-D                                 | 100                 | 0.2                 | 20                             | 0.11                                  | 2.29  | 2.91  | 14.56                            | 85.44                             | 17.09                                   |
| E-B                                 | 100                 | 0.05                | 5                              | 0.03                                  | 0.14  | 0.18  | 3.64                             | 96.36                             | 4.82                                    |
| F-B                                 | 100                 | 0.15                | 15                             | 0.09                                  | 1.29  | 1.64  | 10.92                            | 89.08                             | 13.36                                   |
|                                     | <b>2100</b>         | <b>1.75</b>         | <b>760</b>                     |                                       | <b>219.71</b>                               | <b>280.00</b>                                 | <b>553.45</b>                    | <b>1546.55</b>                    | <b>480.00</b>                           |
| <b>Example 2</b>                    |                     |                     |                                |                                       |   |   |                                  |                                   |   |
| A-D(1)                              | 1000                | 0.6                 | 600                            | 0.52                                  | 313.04                                      | 262.16  | 436.93                           | 563.07                            | 337.84                                  |
| B-D                                 | 800                 | 0.15                | 120                            | 0.13                                  | 15.65                                       | 13.11   | 87.39                            | 712.61                            | 106.89                                  |
| C-D                                 | 100                 | 0.2                 | 20                             | 0.17                                  | 3.48  | 2.91  | 14.56                            | 85.44                             | 17.09                                   |
| E-B                                 | 100                 | 0.05                | 5                              | 0.04                                  | 0.22  | 0.18  | 3.64                             | 96.36                             | 4.82                                    |
| F-B                                 | 100                 | 0.15                | 15                             | 0.13                                  | 1.96  | 1.64  | 10.92                            | 89.08                             | 13.36                                   |
|                                     | <b>2100</b>         | <b>1.15</b>         | <b>760</b>                     |                                       | <b>334.35</b>                               | <b>280.00</b>                                 | <b>553.45</b>                    | <b>1546.55</b>                    | <b>480.00</b>                           |
| <b>Example 3</b>                    |                     |                     |                                |                                       |   |   |                                  |                                   |   |
| A-D(1A)                             | 200                 | 0.6                 | 120                            | 0.17                                  | 20.28                                       | 52.43   | 87.39                            | 112.61                            | 67.57                                   |
| A-D(1B)                             | 200                 | 0.6                 | 120                            | 0.17                                  | 20.28                                       | 52.43   | 87.39                            | 112.61                            | 67.57                                   |
| A-D(1C)                             | 200                 | 0.6                 | 120                            | 0.17                                  | 20.28                                       | 52.43   | 87.39                            | 112.61                            | 67.57                                   |
| A-D(1D)                             | 200                 | 0.6                 | 120                            | 0.17                                  | 20.28                                       | 52.43   | 87.39                            | 112.61                            | 67.57                                   |
| A-D(2)                              | 200                 | 0.6                 | 120                            | 0.17                                  | 20.28                                       | 52.43   | 87.39                            | 112.61                            | 67.57                                   |
| B-D                                 | 800                 | 0.15                | 120                            | 0.04                                  | 5.07  | 13.11   | 87.39                            | 712.61                            | 106.89                                  |
| C-D                                 | 100                 | 0.2                 | 20                             | 0.06                                  | 1.13  | 2.91  | 14.56                            | 85.44                             | 17.09                                   |
| E-B                                 | 100                 | 0.05                | 5                              | 0.01                                  | 0.07  | 0.18  | 3.64                             | 96.36                             | 4.82                                    |
| F-B                                 | 100                 | 0.15                | 15                             | 0.04                                  | 0.63  | 1.64  | 10.92                            | 89.08                             | 13.36                                   |
|                                     | <b>2100</b>         | <b>3.55</b>         | <b>760</b>                     |                                       | <b>108.31</b>                               | <b>280.00</b>                                 | <b>553.45</b>                    | <b>1546.55</b>                    | <b>480.00</b>                           |









**ATTACHMENT S**

**Procedure for Calculation of MW-Mile Impacts for Use in  
Revenue Allocation and Determination of Losses**

1. Introduction

The purpose of this Attachment S is to provide written documentation of the procedures for calculation of MW-mile impacts for use in revenue allocation and determination of losses as implemented by the Transmission Provider. Definitions of the models and parameters used in the calculations are presented, as well as a description of the calculations performed by the "Megawatt-Mile Software". Details of the application of MW-mile impacts to the allocation of revenues and the determination of losses are discussed in Attachments L and M respectively. The megawatt-mile technique is a distance based method of calculating impacts for transmission use considering that power will, to some extent, flow over all available paths from the generating source to the load.

2. Definitions, Models and Parameters Used

2.1 Composition of the Network Model - The network models used in the transmission service charge calculations are derived from loadflow models of SPP system assembled annually by SPP. Prior to April 1 each year, data are submitted, models assembled, modifications required for using the models in the MW-mile impact calculations are made, and the impact tables for the upcoming Summer and Winter seasons are computed.

2.1.1 Seasonal Models - The seasonal models used in the calculations are the Summer Peak Load Operating model and the Winter Peak Load Operating model, as modified for use in the transmission service charge computations. Modifications to the models include some AREA (SPP Transmission Owners are represented by AREAs in the model) renumbering and required changes to phase shifter representations as outlined in section 2.1.4. Estimated MW-Mile impacts

for future Summer and Winter seasons may be calculated using the appropriate planning model from the annual series of SPP models.

2.1.2 Transmission Elements Included in the Transmission Service Charge Calculations - All transmission lines and terminal equipment reflected in the Transmission Owners' transmission accounts and included in transmission rates may be included in the network model.

2.1.3 Transmission Facility Rating Assumptions - The ratings used are the most limiting rating reported in the then-current SPP operating model on the normal continuous MVA ratings of transmission facilities for the applicable season. For transmission lines, these are normally the lesser of the conductor thermal rating and the rating of equipment such as switches, wavetraps, etc. For transformers, these are normally the continuous rating of the transformers. The corresponding ratings from the applicable SPP planning model are used in estimating MW-mile impacts for future years.

2.1.4 Modeling Phase Shifters - Phase shifting transformers within SPP are represented based on typical operations.

2.2 Timing of Formula Changes - Each May 1, the formula provided in Attachment H will be modified to reflect actual data for the prior calendar year.

2.3 Transmission Facility Ownership Representation - Transmission Owners are required to update their transmission facility ownership representation annually. This update shall reflect all new transmission facility additions and retirements for the prior calendar year including any new network facilities constructed pursuant to any regional transmission planning process.

2.3.1 Transmission Lines and Terminals - Each transmission line which is to participate in the calculation of the MW-mile impacts has a record in a branch ownership file. This file is required by the Megawatt-Mile Software in order to calculate MW-mile impacts for use of every branch. The ownership file contains two types of records for every transmission line: one record

contains the total line mileage; the other reflects the percent of each Transmission Owner's "ownership" (i.e., for collecting rents) of the line. If ownership percentages for a given branch are not provided, the ownership will be divided equally to the AREA numbers in which the buses on either end of the branch reside in the loadflow model. If a transmission line does not have a mileage entry in the ownership file, it will not participate in the calculation since the line mileage is not known.

2.3.2 Transformers - The transformer ownership file is similar to the branch ownership file, except that there is no mileage record associated with the transformer. The records for transformers serve the same function as for transmission lines. If ownership percentages for a given branch are not provided, the ownership will be divided equally to the AREA numbers in which the buses on either end of the branch reside in the loadflow model.

2.3.3 Generation and Load - The ownership representation for generation and load is maintained in generation and load ownership files. These files are required by the Megawatt-Mile Software in order to model transactions. For each bus that has either generation or load, a record in the ownership file allocates to the AREAs their percent ownership. If no record is entered for a load bus or generator bus, the ownership is allocated to the AREA in which the bus resides in the loadflow model.

2.3.4 Representation of Utilities Outside of SPP - Utilities outside of SPP are to be represented in the model as needed to result in accurate impact calculations. Minimum representation for a non-Member involved in a sale to a SPP Member is ownership of a generator bus in the non-Member's system or a generator bus judged to be electrically close to the non-Member's system. Similarly, minimum representation for a non-Member involved in a purchase from a Member is ownership of a load bus in the non-Member's system or a load bus judged to be electrically close to the non-Member's system.

### 3. Calculating the Impact for Transmission Service

3.1 Explanation of the Impact Calculation - The megawatt-mile approach is a distance based method of assessing transmission service impacts considering that power will, to some extent, flow over all available paths from the generating source to the load. The distribution of flows over each and every facility due to transactions between each combination of potential parties is calculated. The megawatt-mile method of calculating transmission service charges utilizes two computer programs known as the Megawatt-Mile Software to accomplish the necessary computations. A commercially available power systems analysis package, PTI's PSS/E, performs the necessary network flow calculations through activity MWMI, which was written specifically for this application. MWMI also keeps track of cost information and branch, load, and generation ownership. A second stand alone program is required to read the output of MWMI and to develop allocation factors.

#### 3.2 The "Megawatt-Mile" Method

(a) The megawatt-mile technique starts from a solved loadflow model of the system. Transactions are modeled between each combination of potential parties by changing generation on the sending, or selling end, and changing the load on the receiving, or buying end. The amount by which the generation and load are changed is small. A linear analysis technique is then used to determine the distribution of flows on each branch in the network. This value is used in subsequent calculations.

(b) Individual branch charges are calculated given the flow on the branch due to the transaction and the line mileage (for transmission lines) as described in section 2.2 and 2.3. The individual branch impacts for transmission lines are determined as follows:

$$\text{Transmission Line Impacts} = P * L \text{ [MW-miles]}$$

where



P = calculated flow due to the transaction

L = line length in miles

(c) Similarly, the individual branch impacts for transformers are determined as follows:

$$\text{Transformer Impacts} = P * \text{mile [MW-miles]}$$

where

P = calculated flow due to the transaction.

(d) The sum of all the individual branch impacts for each Transmission Owner is calculated in units MW-miles. These charges can be summarized, by Transmission Owner, for all combinations of power transfers between Transmission Owner systems.

$$\text{MW-mile Impacts} = \sum \text{MW-miles [MW-miles]}$$

3.4 Application to Service Charge Rates - Transmission service MW-mile impacts using this MW-mile methodology shall be set forth in matrices developed by SPP and posted on SPP OASIS. The matrices shall be changed twice per year.

The Summer season shall consist of the months of June through September inclusive. The Winter season shall consist of the months of October through May inclusive.

3.5 Generator and Load Dispatch - All capacity transactions are simulated as coming from all of a seller's on-line generation, except for that generation which is already fully loaded, in proportion to unit MVA base (nameplate rating). The transaction is simulated as delivered to all of the buyer's load.

Energy transactions are simulated as coming from all of the seller's on-line generation, except for that generation which is already fully loaded, in proportion to the unit MVA base (nameplate rating) and delivered to all of the buyer's load.

Each load on a bus at which the buyer represents load ownership picks up a proportionate amount of the transaction. The portion of the transaction picked up at any given bus is the amount of load owned by the buyer on that bus divided by the total load owned by the buyer.

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**ATTACHMENT T**

**Rate Sheets For Point-To-Point Transmission Service**

**Central & South West Services**

**Rate Sheet For Point-to-Point Transmission Service**

**Firm Point-to-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$13,896.64/MW of Reserved Capacity per year.
2. Monthly delivery: \$1,158.05/MW of Reserved Capacity per month.
3. Weekly delivery: \$267.24/MW of Reserved Capacity per week.
4. Daily delivery: \$53.45/MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified section 3 above times the highest amount in megawatts of Reserved Capacity in any day during such week.

**Non-Firm Point-to-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1,158.05/MW of Reserved Capacity per month.
2. Weekly delivery: \$267.24/MW of Reserved Capacity per week.
3. Daily delivery: \$53.45/MW of Reserved Capacity per day.
4. Hourly delivery: \$3.34/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section 3 above times the highest amount in megawatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section 2

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above times the highest amount in megawatts of Reserved Capacity in any hour  
during such week.

**City Utilities of Springfield, Missouri**

**Rate Sheet for Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Annual Deliveries: \$13,128.24 per MW of reserved capacity.
2. Monthly delivery: \$1,094.02/MW of Reserved Capacity per month.
3. Weekly delivery: \$252.47/MW of Reserved Capacity per week.
4. Daily delivery: \$50.49/MW of Reserved Capacity per day.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1,094.02/MW of Reserved Capacity per month.
2. Weekly delivery: \$252.47/MW of Reserved Capacity per week.
3. Daily delivery: \$50.49/MW of Reserved Capacity per day.
4. Hourly Deliveries: \$2.70 per MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the on-peak rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during

such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Cleco Corporation**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$14.84/KW of Reserved Capacity per year.
2. Monthly delivery: \$1.24/KW of Reserved Capacity per month.
3. Weekly delivery: \$.2854/KW of Reserved Capacity per week.
4. Daily delivery:
  - On-peak \$ .0571/KW of Reserved Capacity per day.
  - Off-peak \$ .0407/KW of Reserved Capacity per day.

For purposes of the above rate, on-peak days are defined as Monday through Friday, and off peak days are defined as Saturday through Sunday. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.24/KW of Reserved Capacity per month.
2. Weekly delivery: \$.2854/KW of Reserved Capacity per week.
3. Daily delivery: On-peak \$ .0571/KW of Reserved Capacity per day.  
Off-peak \$ .0407/KW of Reserved Capacity per day.
4. Hourly delivery: On-peak \$ 3.57/MW of Reserved Capacity per hour.



Off-peak \$1.69/MW of Reserved Capacity per hour.

For purposes of this rate, on-peak periods are defined as hours beginning at 0700 and continuing through 2200 on each Monday through Friday, and off peak periods are defined as all other hours. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the on-peak rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Empire District Electric Co.**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

\$ 15,382.514 /MW of Reserved Capacity per year.

\$ 1,281.876 /MW of Reserved Capacity per month.

\$ 295.817 /MW of Reserved Capacity per week.

\$ 59.164 /MW of Reserved Capacity per day (on-peak).

\$ 42.260 /MW of Reserved Capacity per day (off-peak).

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified for weekly delivery times the highest amount in megawatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

\$ 15,382.514 /MW of Reserved Capacity per year

\$ 1,281.876 /MW of Reserved Capacity per month

\$ 295.817 /MW of Reserved Capacity per week

\$ 59.164 /MW of Reserved Capacity per day (on-peak)

\$ 42.260 /MW of Reserved Capacity per day (off-peak)

\$ 3.698/MW of Reserved Capacity per hour (on-peak)

\$ 1.756/MW of Reserved Capacity per hour (off-peak)

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified above for Daily delivery times the highest amount in Megawatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified for Weekly delivery times the highest amount in megawatts of Reserved Capacity in any hour during such week.

**Grand River Dam Authority**  
**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$29.75/KW of Reserved Capacity per year.
2. Monthly delivery: \$2.48/kW of Reserved Capacity per month.
3. Weekly Delivery: \$0.572/kW of Reserved Capacity per week.
4. Daily delivery: \$0.114/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section 3 above times the highest amount in megawatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Short Term Non Firm Transmission Service as the sum of the applicable charges set forth below:

1. For Monthly delivery: \$2.48/KW of Reserved Capacity per month.
2. For Weekly delivery: \$0.572/KW of Reserved Capacity per week.
3. For Daily delivery: \$0.082/KW of Reserved Capacity per day.
4. Hourly delivery: \$0.00715/kW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section 3 above times the

highest amount in megawatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section 2 above times the highest amount in megawatts of Reserved Capacity in any hour during such week.

**Kansas City Power & Light**

**Rate Sheet For Point-To-Point Transmission Service**

Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

**For 345 and 161 kV Service**

1. Yearly delivery: one-twelfth of the demand charge of \$10,560/MW of Reserved Capacity per year.
2. Monthly delivery: \$880/MW of Reserved Capacity per month.
3. Weekly delivery: \$203/MW of Reserved Capacity per week.
4. Daily delivery: \$41/MW of Reserved Capacity per day.

**For 69 and 34 kV Service**

1. Yearly delivery: one-twelfth of the demand charge of \$12,120/MW of Reserved Capacity per year.
2. Monthly delivery: \$1,010/MW of Reserved Capacity per month.
3. Weekly delivery: \$233/MW of Reserved Capacity per week.
4. Daily delivery: \$47/MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

**For 345 and 161 kV Service**

1. Monthly delivery: \$830/MW of Reserved Capacity per month.
2. Weekly delivery: \$191/MW of Reserved Capacity per week.
3. Daily delivery: \$38/MW of Reserved Capacity per day.
4. Hourly delivery: \$2.39/MW of Reserved Capacity per hour.

**For 69/34 kV Service**

1. Monthly delivery: \$958/MW of Reserved Capacity per month.
2. Weekly delivery: \$221/MW of Reserved Capacity per week.
3. Daily delivery: \$44/MW of Reserved Capacity per day.
4. Hourly delivery: \$2.76/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Midwest Energy**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$24.5067/kW of Reserved Capacity per year.
2. Monthly delivery: \$2.0422/kW of Reserved Capacity per month.
3. Weekly delivery: \$0.4713/kW of Reserved Capacity per week.
4. Daily delivery: \$0.0943/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$2.0422/kW of Reserved Capacity per month.
2. Weekly delivery: \$0.4713/kW of Reserved Capacity per week.
3. Daily delivery: \$0.0943/kW of Reserved Capacity per day.
4. Hourly delivery: \$5.60/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation



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for Hourly or Daily delivery, shall not exceed the rate specified in section  
(2) above times the highest amount in kilowatts of Reserved Capacity in any  
hour during such week.

**Missouri Public Service**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

**For 345/161 kV Service**

1. Yearly delivery: one-twelfth of the demand charge of \$10,704/MW of Reserved Capacity per year.
2. Monthly delivery: \$892/MW of Reserved Capacity per month.
3. Weekly delivery: \$207.53/MW of Reserved Capacity per week.
4. Daily delivery: \$41.51/MW of Reserved Capacity per day.

**For 69/34 kV Service**

1. Yearly delivery: one-twelfth of the demand charge of \$26,844/MW of Reserved Capacity per year.
2. Monthly delivery: \$2,237/MW of Reserved Capacity per month.
3. Weekly delivery: \$520.27/MW of Reserved Capacity per week.
4. Daily delivery: \$104.05/MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

**For 345/161 kV Service**

1. Monthly delivery: \$892/MW of Reserved Capacity per month.
2. Weekly delivery: \$207.53/MW of Reserved Capacity per week.
3. Daily delivery: \$29.65/MW of Reserved Capacity per day.
4. Hourly delivery: \$1.24/MW of Reserved Capacity per hour.

**For 69/34 kV Service**

1. Monthly delivery: \$2,237/MW of Reserved Capacity per month.
2. Weekly delivery: \$520.27/MW of Reserved Capacity per week.
3. Daily delivery: \$74.32/MW of Reserved Capacity per day.
4. Hourly delivery: \$3.10/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**OG&E Electric Services**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$13.3166/kW of Reserved Capacity per year.
2. Monthly delivery: \$1.1097/kW of Reserved Capacity per month.
3. Weekly delivery: \$0.2561/kW Reserved Capacity per week.
4. Weekday delivery: \$0.0512/kW of Reserved Capacity per day.
5. Weekend and Holiday delivery: \$0.0366/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.1097/kW of Reserved Capacity per month.
2. Weekly delivery: \$0.2561/kW of Reserved Capacity per week.
3. Weekday delivery: \$0.0512/kW of Reserved Capacity per day.
4. Weekend and Holiday delivery: \$0.0366/kW of Reserved Capacity per day.

5. Hourly delivery: \$1.5243/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Weekend and Holiday Delivery rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Southwestern Power Administration**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

Monthly: \$0.69 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a longer term agreement.

Weekly: \$0.173 per kilowatt of transmission capacity reserved in increments of one week of service.

Daily: \$0.0314 per kilowatt of transmission capacity reserved in increments of one day of service.

Transmission Customers whose loads are directly connected to Southwestern's system and are not within Southwestern's control area will be charged on the greatest of (1) the peak demand at any particular point of delivery during a particular month, rounded up to the nearest whole megawatt, or (2) the highest peak demand recorded at such point of delivery during any of the previous 11 months, rounded up to the nearest whole megawatt, or (3) the capacity reserved by contract, which amount shall be considered such transmission customer's reserved capacity. Secondary Transmission Service for such Transmission Customers shall be limited during any month to the most recent peak demand on which a particular Transmission Customer is billed or to the capacity reserved by contract, whichever is greater.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$ 0.55/KW of Reserved Capacity per month.
2. Weekly delivery: \$ 0.138/KW of Reserved Capacity per week.
3. Daily delivery: \$ .0251/KW of Reserved Capacity per day.
4. Hourly delivery: \$ .00157/KW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Southwestern Public Service Company**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.358/kW of Reserved Capacity per month.
2. Weekly delivery: \$0.314/kW of Reserved Capacity per week.
3. Daily delivery: \$0.052/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**On-Peak Non-Firm Service:** For Non-Firm Point-To-Point Transmission Service during the Peak Months of June, July, and August of each calendar year:

4. Monthly delivery: \$1.358/kW of Reserved Capacity per month.
5. Weekly delivery: \$0.314/kW of Reserved Capacity per week.
6. Daily delivery: \$0.052/kW of Reserved Capacity per day.
7. Hourly delivery: \$3.27/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (6) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (5) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.



**Off-Peak Non-Firm Service:** For Non-Firm Point-To-Point Transmission Service during all months not listed above as Peak Months:

8. Monthly delivery: \$1.213/kW of Reserved Capacity per month.
9. Weekly delivery: \$0.280/kW of Reserved Capacity per week.
10. Daily delivery: \$0.047/kW of Reserved Capacity per day.
11. Hourly delivery: \$2.92/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (10) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (9) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Sunflower Electric Cooperative**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at up to the sum of the applicable charges set forth below:

1. Yearly delivery: \$53,800/MW of Reserved Capacity per year.
2. Monthly delivery: \$4,480/MW of Reserved Capacity per month.
3. Weekly delivery: \$1,034.60/MW of Reserved Capacity per week
4. Daily delivery: \$147.80/MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Yearly delivery: \$53,800/MW of Reserved Capacity per year.
2. Monthly delivery: \$4,480/MW of Reserved Capacity per month.
3. Weekly delivery: \$1,034.60/MW of Reserved Capacity per week.
4. Daily delivery: \$147.80/MW of Reserved Capacity per day.
5. Hourly delivery: \$6.14/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation

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for Hourly or Daily delivery, shall not exceed the rate specified in section  
(3) above times the highest amount in kilowatts of Reserved Capacity in any  
hour during such week.

**UtiliCorp United - West Plains**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

**For 115 kV and Above Service**

1. Yearly delivery: one-twelfth of the demand charge of \$16,176/MW of Reserved Capacity per year.
2. Monthly delivery: \$1,348/MW of Reserved Capacity per month.
3. Weekly delivery: \$313.38/MW of Reserved Capacity per week.
4. Daily delivery: \$62.68/MW of Reserved Capacity per day.

**For 34.5 kV Service**

1. Yearly delivery: one-twelfth of the demand charge of \$32,328/MW of Reserved Capacity per year.
2. Monthly delivery: \$2,694/MW of Reserved Capacity per month.
3. Weekly delivery: \$626.47/MW of Reserved Capacity per week.
4. Daily delivery: \$125.29/MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable

charges set forth below:

**For 115 kV and Above Service**

1. Monthly delivery: \$1,348/MW of Reserved Capacity per month.
2. Weekly delivery: \$313.38/MW of Reserved Capacity per week.
3. Daily delivery: \$44.77/MW of Reserved Capacity per day.
3. Hourly delivery: \$1.87/MW of Reserved Capacity per hour.

**For 34.5 kV Service**

1. Monthly delivery: \$2,694/MW of Reserved Capacity per month.
2. Weekly delivery: \$626.47/MW of Reserved Capacity per week.
3. Daily delivery: \$89.50/MW of Reserved Capacity per day.
4. Hourly delivery: \$3.73/MW of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**Western Resources**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$15.60/KW of Reserved Capacity per year.
2. Monthly delivery: \$1.30/KW of Reserved Capacity per month.
3. Weekly delivery: \$0.30/KW of Reserved Capacity per week.
4. Daily delivery: \$0.0427/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.30/KW of Reserved Capacity per month.
2. Weekly delivery: \$0.30/KW of Reserved Capacity per week.
3. Daily delivery: \$0.0427/KW of Reserved Capacity per day.
4. Hourly delivery: \$1.80/MWH of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation

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for Hourly or Daily delivery, shall not exceed the rate specified in section  
(2) above times the highest amount in kilowatts of Reserved Capacity in any  
hour during such week.

**Western Farmers Electric**

**Rate Sheet For Point-To-Point Transmission Service**

**Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$24.87/kW of Reserved Capacity per year.
2. Monthly delivery: \$2.07/kW of Reserved Capacity per month.
3. Weekly delivery: \$0.48/kW of Reserved Capacity per week.
4. Daily delivery: \$0.07/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

**Non-Firm Point-to-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$2.07/kW of Reserved Capacity per month.
2. Weekly delivery: \$0.48/kW of Reserved Capacity per week.
3. Daily delivery: \$0.07/kW of Reserved Capacity per day.
4. Hourly delivery: \$2.85/MW of Reserved Capacity per hour.



The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

**ATTACHMENT U**

**RATE SCHEDULE FOR COMPENSATION FOR DEFERRED MAINTENANCE COSTS**

This rate schedule is intended to provide for the payment by the Transmission Provider of compensation to generation owners and Transmission Owners for the costs of deferring scheduled generation or transmission maintenance, when such maintenance is deferred pursuant to the Transmission Provider's directive, and for the recovery by the Transmission Provider of the costs of such payments.

**A. Compensation to Generation Owners:**

Generation owners within the SPP Region shall coordinate the maintenance of generating units with the Transmission Provider to the extent such maintenance directly affects the capacity or reliability of the Transmission System. The Transmission Provider shall review the generating unit maintenance schedules submitted by generators.

Any generation owner that reschedules planned maintenance as a result of the Transmission Provider's review or coordination shall be fully compensated by the Transmission Provider for all additional costs associated with any such rescheduling. The following are the costs associated with the rescheduling to be recovered by the generation owner:

- (1) Additional labor costs: The labor costs to be recovered from the Transmission Provider shall be the actual out-of-pocket additional labor costs faced by the generation owner that were incurred only because of the deferral of the maintenance. Unless overhead costs can be directly identified as pertaining to this additional labor, any overhead cost adder shall be limited to the typical overhead cost adder used by the generation owner for similar work.

- (2) Additional materials costs: The materials cost to be recovered from the Transmission Provider shall be the actual out-of-pocket additional materials costs that were incurred only because of the deferral of the maintenance.
- (3) Opportunity costs: If the deferred maintenance results in the generation owner foregoing sales revenues in excess of sales revenues that would have been foregone if the maintenance had taken place as originally scheduled, the generation owner shall be allowed to recover that difference. The following formula shall be used in deriving this difference:

$C = A - B$  where:

$C$  = The total OC to be recovered

$A$  = The OC foregone to perform the maintenance at the rescheduled time.

$B$  = The OC which would have been foregone if the maintenance had taken place as originally scheduled.

$$OC = (R_1 \times (SP_1 - MS_1)) - R_2 \times (SP_2 - MS_2)$$

where:

OC = Opportunity Cost;

$R_1$  = lost sales in kWh;

$SP_1$  = average rate per kWh (including demand and energy charges) that the generation owner would have charged for the lost sales; and

$MS_1$  = marginal running cost per kWh associated with the lost sales, defined as the out-of-pocket costs associated

with generating the power for the lost sale, such costs to include the cost of fuel and variable operation and maintenance expenses of generating the next increment of power;

and where:

$R_2$  = the actual sales in kWh;

$SP_2$  = average rate per kWh (including demand and energy charges) charged; and

$MS_2$  = marginal running cost per kWh associated with the actual sales, defined as the out-of-pocket costs associated with generating the power for the lost sale, such costs to include the cost of fuel and variable operation and maintenance expenses of generating the next increment of power.

If a negative number is produced from this formula, that amount shall be used to offset any additional labor and material costs until the compensation due is zero.

All costs for which compensation is sought or provided under this section are to be fully documented by the generation owner.

The generation owner shall provide the Transmission Provider with information that the Transmission Provider believes is necessary to verify the additional costs of rescheduling planned maintenance. The Transmission Provider is to recover the costs of all payments made pursuant to this section as set forth in section C below.

**B. Compensation to Transmission Owners:**

Consistent with the SPP Membership Agreement, Transmission Owners are required to coordinate with the Transmission Provider

for all planned maintenance of Tariff Facilities. The Transmission Provider shall notify a Transmission Owner of the need to change previously-reviewed planned maintenance outages. If the planned maintenance is rescheduled, the Transmission Provider shall compensate the Transmission Owner for any additional costs associated with any such rescheduling of planned maintenance outages, including:

- (1) Additional labor costs: The labor costs to be recovered from the Transmission Provider shall be the actual out-of-pocket additional labor costs faced by the Transmission Owner that were incurred only because of the deferral of the maintenance. Unless overhead costs can be directly identified as pertaining to this additional labor, any overhead cost adder shall be limited to the typical overhead cost adder used by the Transmission Owner for similar work.
- (2) Additional materials costs: The materials cost to be recovered from the Transmission Provider shall be the actual out-of-pocket additional materials costs that were incurred only because of the deferral of the maintenance.
- (3) Opportunity costs: If the deferred maintenance results in the Transmission Owner foregoing transmission revenues in excess of the transmission revenues which would have been received if the maintenance taken place as originally scheduled, the Transmission Owner shall be allowed to recover that difference. The following formula shall be used in deriving this difference:

C = A-B where:

C = The total OC to be recovered

A = The OC foregone to perform the maintenance at the rescheduled time.

B = The OC which would have been foregone if the maintenance had taken place as originally scheduled.

$$OC = (R_1 \times (SP_1 - MS_1)) - (R_2 \times (SP_2 - MS_2))$$

where: OC = Opportunity Cost;

$R_1$  = lost transmission revenues in \$/kW;

$SP_1$  = average rate per kW that the Transmission Owner would have charged; and

$MS_1$  = the marginal and variable costs, if any, that would have been incurred had the transmission service actually been provided;

and where:

$R_2$  = the actual transmission revenues received in \$/kW;

$SP_2$  = average rate per kW charged; and

$MS_2$  = the marginal and variable costs, if any, associated with providing the transmission service that actually occurred.

If a negative number is produced from this formula, that amount shall be used to offset any additional labor and material costs until the compensation due is zero.

All costs for which compensation is sought or provided under this section are to be fully documented by the Transmission Owner. The Transmission Owner shall provide the Transmission Provider with information that the Transmission Provider believes is necessary to verify the additional costs of rescheduling planned maintenance. The Transmission Provider is to recover all the costs of all payments made pursuant to this section as set forth in section C below.

**C. Recovery of Compensation Costs by the Transmission Provider**

The Transmission Provider shall be entitled to recover all costs associated with the compensation of generation owners, or Transmission Owners pursuant to this Rate Schedule. In order to recover these costs, the Transmission Provider shall add an additional charge to the base transmission charges under this Tariff calculated using the following formula:

|   |  |
|---|--|
| <p>Additional<br/>Monthly<br/>maintenanc<br/>e deferral<br/>charge<br/>(per kW -<br/>month)</p> | <p>Prior Month'S<br/>Maintenance<br/>Costs<br/>(Including<br/>Any Carrying<br/>Costs And Any<br/>True-Up)</p> <hr/> <p>(Transmission<br/>System Peak<br/>for the same<br/>prior month)<br/>- (coincident<br/>peak usage of<br/>all Firm<br/>Point-to-<br/>Point<br/>Transmission<br/>Service) +<br/>(Reserved<br/>Capacity of<br/>all Firm<br/>Point-to-<br/>Point<br/>Transmission<br/>Service<br/>customers)</p> |
|---|--|

The Transmission Provider shall apply this charge to all Point-To-Point customers under the Tariff in addition to the base transmission charge. The charge developed above is the rate for monthly service. The rate for weekly service will be the product of the monthly rate and 12 divided by 52. The rate for daily service will be the product of the monthly rate and 12 divided by 260. The rate for hourly service will be the product of the monthly rate and 12 divided by 4160. Network Customers shall pay a Load Ratio Share of

the prior month'S maintenance costs based on their Network Load coincident with the Transmission System peak for that prior month in which the maintenance expenses were incurred divided by the Transmission System peak for that same month. For bundled load and load under Grandfathered Agreements for which network service is not taken under this Tariff, the Transmission Provider shall recover the remaining costs from the Transmission Owners serving the bundled retail load, with the Transmission Owner allocated these remaining amounts based upon their relative proportions of bundled retail load (for which network service is not taken under this Tariff).

In deriving the charges, the Transmission Provider may estimate the maintenance costs it owes or will owe. The Transmission Provider shall true-up that estimate in a later month, with carrying costs, once actuals are available.



**ATTACHMENT V**

**ADDITIONAL USER OBLIGATIONS**

The purpose of this attachment is to detail and outline the obligations with which Users must comply. The intent of these requirements is to ensure system reliability and compliance with NERC, SPP, and other applicable standards and guidelines. These requirements also are intended to impose the same reliability requirements on Users that are not SPP Members as are imposed on SPP Members. [Any User with generation within the SPP Region that has not executed the Membership Agreement shall be required to sign an interconnection agreement with SPP consistent with this Attachment V.

1. Each User agrees to comply with instructions of SPP in its role as Security Coordinator.
2. Each User which owns or controls generation shall offer to redispatch generation as may be necessary under this Tariff, at rates approved, where applicable, by regulatory authorities to the extent such generators are able to provide such redispatch service if such generation directly affects the reliability and capability of the Transmission System and if it is located within the SPP Region.
3. Each User which owns or controls generation that directly affects the reliability and capability of the Transmission System and which is located within the SPP Region shall offer to provide the Ancillary Services required under the Tariff at rates approved by regulatory authorities, where appropriate, to the extent such generators are able to provide such Ancillary Services.

4. Each User owning generation that directly affects the reliability and capability of the Transmission System and which is located within the SPP Region shall submit and coordinate with SPP unit schedules and must-run units as well as unit maintenance with SPP.

5. Each User owning distribution facilities within the SPP Region shall provide service over its distribution facilities as is necessary to effectuate transmission transactions administered by SPP, at approved rates, and subject to a separate tariff or agreement as appropriate.

6. Each User shall provide such information to SPP as is necessary for SPP to perform its obligations under the Tariff and the Membership Agreement and for planning and operational purposes. Such information may be treated as confidential when so designated by the providing User so long as its designation is reasonable.

7. Each User shall comply with all approved and applicable SPP and NERC Policies, Principles, Criteria, Standards, and Guides and monitoring and certification procedures; provided, however, that Users that are members of another NERC regional reliability council may, at their request and upon approval of the SPP President, be granted waiver of responsibilities associated with SPP Criteria and/or Bylaws that are duplicative of or inconsistent with responsibilities of membership in another council.