Southwest Power Pool
REGIONAL TARIFF WORKING GROUP
July 2, 2008
Conference Call
9:00 a.m. – 12:00 p.m.
-MINUTES-

Agenda Item 1 – Call to Order, Introductions and Receipt of Proxies
RTWG Chair Mr. Dennis Reed called the meeting to order at 9:00 a.m. and asked for a round of introductions. Mr. Gerrud Wallaert reported the proxies (Attachment 1 – Proxies).

Agenda Item 2 – Balanced Portfolio Tariff Language
Ms. Pam Kozlowski reviewed all Balanced Portfolio Tariff Language (Attachment 2 – Balanced Portfolio) modifications made at the June 25-26, 2008 RTWG Meeting. The main topic for discussion was Attachment J and the issue of a transmission upgrade that is deferred or displaced by an economic upgrade. Mr. Dennis Reed informed the RTWG that another conference call will be required for final approval of the Balanced Portfolio tariff language.

Agenda Item 3 – PRR 185
Mr. Jeff DiSciullo of Wright and Talisman informed the RTWG of his legal opinion concerning PRR 185 (Attachment 3 – PRR 185). Due to time, the RTWG will pick this issue up at the July 8, 2008 RTWG Conference Call.

Agenda Item 4 – Future Meetings
The times and places for future meetings have been established as follows:

- July 8, 2008 – Conference Call
- July 30 - 31, 2008 – Kansas City, KS
- August 28, 2008 – Dallas – AEP Offices

Agenda Item 6 – Adjournment

Mr. Dennis Reed adjourned the meeting at 12:00 p.m.

Respectfully Submitted-

Gerrud A. Wallaert
Gerrud,

I will not be able to make the RTWG conference call tomorrow due to another meeting. I would like to give voting proxy to Tim Woolley from Xcel.

Thanks,
Bernie

Gerrud,

I will not be able to participate on the call tomorrow. Therefore, I am hereby assigning my proxy to Gary Newell for same.

Thanks, Ron

Dennis and Gerrud –

Aaron Rome will carry my proxy for all voting matters that come before the RTWG on its conference call of 7/1/2008.

Bill

William N. Dowling
Vice President of Energy Management & Supply
Midwest Energy, Inc.
1330 Canterbury Drive
Hays, KS  67601
785-625-1432
bdowling@mwenergy.com
ATTACHMENT H – DRAFT 06-27-08
Annual Transmission Revenue Requirement For Network Integration
Transmission Service

SECTION I: General Requirements

1. The Zonal Annual Transmission Revenue Requirement within each Zone for purposes of
determining the charges under Schedule 9, Network Integration Transmission Service, is
specified in Column (3) of Table 1. The Base Plan Zonal Annual Transmission Revenue
Requirement within each Zone for the purposes of determining the zonal charges under
Schedule 11, is specified in Column (4) of Table 1. The amount of Zonal Annual
Transmission Revenue Requirement and Base Plan Zonal Annual Transmission Revenue
Requirement shifted to the Region-wide Annual Transmission Revenue Requirement, in
accordance with Attachment J, is specified in Column (5) of Table 1.

<table>
<thead>
<tr>
<th>(1) Zone</th>
<th>(2) Zonal ATRR</th>
<th>(3) Base Plan Zonal ATRR</th>
<th>(4) ATRR Shifted to Balanced Portfolio Region-wide ATRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>American Electric Power –West (Total)</td>
<td>$92,432,463</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>American Electric Power (Public Service Company of Oklahoma and Southwestern Electric Power Company)</td>
<td>$88,681,579</td>
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</tr>
<tr>
<td></td>
<td>East Texas Electric Cooperative, Inc.</td>
<td>$2,733,879</td>
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<tr>
<td></td>
<td>Tex-La Electric Cooperative of Texas, Inc.</td>
<td>$588,874</td>
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<td></td>
<td>Deep East Texas Electric Cooperative, Inc.</td>
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<td></td>
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<tr>
<td>2</td>
<td>Cleco Corporation</td>
<td>$29,328,000</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>City Utilities of Springfield, Missouri</td>
<td>$8,651,509</td>
<td>$0</td>
</tr>
<tr>
<td>4</td>
<td>Empire District Electric Company</td>
<td>$14,075,000</td>
<td>$0</td>
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<tr>
<td>5</td>
<td>Grand River Dam Authority (Est.)</td>
<td>$24,589,256</td>
<td>$0</td>
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<td>6</td>
<td>Kansas City Power &amp; Light Company</td>
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<td>$54,193</td>
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<td>Oklahoma Gas &amp; Electric Zone (Total)</td>
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<td></td>
<td>Oklahoma Gas &amp; Electric Company</td>
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</tr>
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<td></td>
<td>Westar Energy, Inc. (Kansas Gas &amp; Electric and Westar Energy)</td>
<td>$816,069</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Midwest Energy, Inc.</td>
<td>$4,197,347</td>
<td>$0</td>
</tr>
</tbody>
</table>

1 The existing ATRRs and Base Plan Zonal ATRRs applicable to Zone 1 became effective July 1, 2007.
<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Aquila Networks-MPS/L&amp;P (Total)</td>
<td>$20,759,283</td>
<td>$0</td>
</tr>
<tr>
<td>9a</td>
<td>Aquila Networks-MPS</td>
<td>$14,059,183</td>
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<td>9b</td>
<td>Aquila Networks-L&amp;P</td>
<td>$6,700,100</td>
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<td>10</td>
<td>Southwestern Power Administration</td>
<td>$9,155,900</td>
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<td>11</td>
<td>Southwestern Public Service</td>
<td>$65,500,000</td>
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<td>Sunflower Electric Corporation</td>
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<td>Western Farmers Electric Cooperative</td>
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<td>14</td>
<td>Westar Energy, Inc. (Kansas Gas &amp; Electric and Westar Energy)</td>
<td>See Section II. 1</td>
<td>$1,708,457</td>
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<tr>
<td>15</td>
<td>Mid-Kansas Electric Company</td>
<td>$5,947,002</td>
<td>$27,734</td>
</tr>
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</table>
2. For the purposes of determining the Region-wide Charges under Schedule 11, the Region-wide Annual Transmission Revenue Requirement shall be the sum of (i) the Base Plan Region-wide Annual Transmission Revenue Requirement and (ii) the total Balanced Portfolio Region-wide Annual Transmission Revenue Requirements that includes the sum of Column (5) in Table 1, as shown in Table 2.

<table>
<thead>
<tr>
<th>Table 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Plan Region-wide ATRR</td>
</tr>
<tr>
<td>Total Balanced Portfolio Region-wide ATRR</td>
</tr>
<tr>
<td>Region-wide ATRR</td>
</tr>
</tbody>
</table>

3. The revenue requirements stated in this Attachment H shall not be changed absent a filing with the Commission, accompanied by all necessary cost support.

4. New or amended revenue requirements in this Attachment H shall not be filed with the Commission by the Transmission Provider unless such revenue requirements have been provided by or for a Transmission Owner. Such revenue requirements shall have been accepted or approved by the applicable regulatory or governing authority except in the event of a simultaneous filing with the Commission by the Transmission Owner and Transmission Provider.

5. If a Transmission Owner has a Commission approved formula rate, the successful completion of its approved annual formula rate update procedures shall constitute regulatory acceptance sufficient to authorize the Transmission Provider to file with the Commission to update that Transmission Owner’s revenue requirements. The Transmission Provider shall follow any special procedures related to updating a Transmission Owner’s revenue requirements as outlined in Section II of this Attachment.

6. The Transmission Provider shall allocate the accepted or approved revenue requirement associated with a Base Plan Upgrade, in accordance with Attachment J to this Tariff, to the Base Plan Region-wide Annual Transmission Revenue Requirement in Table 2 above and to the appropriate Base Plan Zonal Annual Transmission Revenue Requirements in Column (4) of Table 1 above.

SECTION II: Transmission Owner-Specific Requirements

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2008 Effective: May 27, 2008
1. **Westar Energy, Inc.**

   For Westar Energy, Inc., the annual transmission revenue requirement for purposes of the Network Integration
Transmission Service shall be calculated using the rate formula set forth in Attachment H-1 of the Westar Open Access Transmission Tariff (Westar formula rate). The results of the formula calculation shall be posted on the Transmission Provider’s website and in an accessible location on Westar’s OASIS website by May 15 of each calendar year and shall be effective on June 1 of such year. The Zonal Revenue Requirement to be used for the Westar zone in Column (3) of Table 1 of this Attachment H shall be calculated by taking the SPP Zonal Revenue Requirement as identified on page 1, line 10 of the Westar formula rate, less the sum of the current year’s revenue requirement associated with all transmission facilities owned by Westar in other pricing zones when such revenue requirements are included in the revenue requirements specified in the Westar formula rate on page 1, line 10; plus the previous calendar year’s total firm Point-to-Point transmission revenue allocated to Westar under Attachment L provided such Point-to-Point transmission revenue is deducted from Westar’s Annual Transmission Revenue Requirement under Section 34.1 of this Tariff.

The revenue requirements for Base Plan Funded projects owned by Westar shall be the amount contained on page 1, line 9 of the Westar formula rate. [NOTE: Need to address Balanced Portfolio funded projects now? Or can it wait?]

Upon posting of the updated revenue requirements, the Transmission Provider shall immediately update the various Base Plan funded costs and allocations contained in the Tariff and file them with the Commission with a requested effective date of June 1.

[NOTE: Need to address Balanced Portfolio funded projects now? Or can it wait?]

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2008
Effective: June 1, 2008
2. **Southwestern Public Service**

Pursuant to the Offer of Settlement approved by the Federal Energy Regulatory Commission in Xcel Energy Services Inc., 115 FERC ¶ 61,011, the Annual Transmission Revenue Requirement for the Southwestern Public Service Company (SPS) rate zone (Zone 11) stated on Sheet 221 shall not be subject to adjustment pursuant to Section 34.1 of this Tariff for the previous calendar year’s total firm Point-to-Point transmission revenue allocated to SPS under Attachment L when determining the monthly zonal Demand Charge for Zone 11.
ADDENDUM 1 TO ATTACHMENT H

MONTHLY DEMAND CHARGE CALCULATION FOR ZONE 1
NETWORK INTEGRATION TRANSMISSION SERVICE

This Addendum to Attachment H sets forth the monthly Demand Charge for Zone 1 for Network Customers taking Network Integration Transmission Service under Schedule 9 to this Tariff.

Charges for Compensation to AEP

Unless a different rate is approved by the Commission, the monthly Demand Charge to Network Customers for compensation to AEP shall be determined by multiplying the Network Customer’s monthly Network Load, determined in accordance with the provisions of Section 34.2, expressed in MW, times the rate per MW-month determined by dividing the Zonal Annual Transmission Revenue Requirement of AEP, specified in Attachment H, by the sum of the twelve (12) coincident peak loads during the year 2000.

Until a different rate has been approved by the Commission, such rate for each succeeding calendar year, to be effective on and after January 1, of such succeeding year, will be calculated by dividing AEP’s Zonal Annual Transmission Revenue Requirement, specified in Attachment H, by the sum of the twelve (12) coincident peak loads during the preceding calendar year. The rate for 2001, pursuant to the above, is $1,013.18 per MW-month.
Charges for Compensation to East Texas Electric Cooperative, Inc., Tex-La Electric Cooperative of Texas, Inc. and Deep East Texas Electric Cooperative, Inc.

In addition to the charges specified for compensation to AEP above, the Transmission Provider shall calculate a monthly Demand Charge associated with the revenue requirements of East Texas Electric Cooperative, Inc., Tex-La Electric Cooperative of Texas, Inc. and Deep East Texas Electric Cooperative, Inc. which shall be applicable to all customers located in Zone 1 taking Network Service under this Tariff, including any Transmission Owner within Zone 1 taking service under Section 39. The monthly charge to each customer for compensation to East Texas Electric Cooperative, Inc., Tex-La Electric Cooperative of Texas, Inc. and Deep East Texas Electric Cooperative, Inc. shall be the product of the customer’s load ratio share and one twelfth (1/12) of such Transmission Owner’s Zonal Annual Transmission Revenue Requirement.
Recovery Of Costs Associated With New Facilities

I. 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.

II. Network Upgrades

Where applicable, the costs of completed Network Upgrades shall be allocated as specified in Sections III, IV and V of this Attachment. The revenue requirements of Base Plan Upgrades and approved Balanced Portfolios will be recovered through Schedule 11, subject to filing such rate or revenue requirement changes with the Commission, and where applicable, Directly Assigned Upgrade Costs. The revenue requirements for other Network Upgrades may be recovered by Transmission Owners through Schedules 7, 8, and 9 subject to their filing such rate or revenue requirement changes with the Commission.

III. Base Plan Upgrades

A single Base Plan Upgrade is comprised of any upgrade or group of upgrades required to be made to a single transmission circuit, where a transmission circuit is comprised of all elements load carrying between circuit breakers or the comparable switching devices.

A. Allocation of Base Plan Upgrade Costs

1. If the cost of a Base Plan Upgrade is less than or equal to $100,000, the annual transmission revenue requirement associated with such Base Plan Upgrade shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement of the Zone in which the Base Plan Upgrade is located.
2. If the cost of a Base Plan Upgrade is greater than $100,000, then:

i. X% of the annual transmission revenue requirement associated with such Base Plan Upgrade shall be allocated to the Base Plan Region-wide Annual Transmission Revenue Requirement and recovered through the Region-wide Charge. The initial value of X shall be 33%.

ii. (100-X)% of the annual transmission revenue requirement associated with such Base Plan Upgrade shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement and recovered through the Base Plan Zonal Charge. This portion of the annual transmission revenue requirement for each Base Plan Upgrade shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement of specific Zones based on the Zones’ share of the incremental positive MW-mile benefits as computed in Section 4 of Attachment S to this Tariff. Each Zone with a benefit of at least 10 MW-miles from a given Base Plan Upgrade shall be allocated a portion of the Base Plan Zonal Annual Transmission Revenue Requirement for such upgrade based on its incremental positive MW-mile benefit divided by the sum of the incremental positive MW-mile benefits for all of those Zones with a benefit of at least 10 MW-miles from the upgrade, provided that such allocation represents an engineering and construction cost of at least $100,000.
B. Conditions for Classifying Service Upgrades Associated with Designated Resources As Base Plan Upgrades

If the cost of any Service Upgrade or group of Service Upgrades to a single transmission circuit associated with a new or changed Designated Resource is less than or equal to $100,000: (i) such upgrade(s) shall be classified as a Base Plan Upgrade; and (ii) the annual transmission revenue requirement associated with such upgrade(s) shall be allocated in accordance with Section III.A.1.

Service Upgrades, with a cost that exceeds $100,000, associated with new or changed Designated Resources shall be classified as Base Plan Upgrades if all the following conditions apply:

1. The Transmission Customer’s commitment to the Designated Resource has a duration of at least five years;

2. In the first year the Designated Resource is planned to be used by the Transmission Customer, the accredited capacity of the Transmission Customer’s existing Designated Resources plus the lesser of: (a) the planned maximum net dependable capacity applicable to the Transmission Customer or (b) the requested capacity; shall not exceed 125% of the Transmission Customer’s projected system peak responsibility determined pursuant to SPP Criteria 2; and

3. The cost of Service Upgrades associated with the new or changed Designated Resource is less than or equal to $180,000/MW times the lesser of: (a) the planned maximum net dependable capacity applicable to the Transmission Customer or (b) the requested capacity (the “Safe Harbor Cost Limit”).
The Transmission Customer must provide the Transmission Provider the information that the Transmission Provider deems necessary to verify that the new or changed Designated Resource meets conditions 1 and 2 above.

If an upgrade for a new or changed Designated Resource meets the requirements set forth in 1 and 2 above, the costs up to the $180,000/MW Safe Harbor Cost Limit will be classified as Base Plan Upgrade costs.

If the conditions set forth in 1 and 2 above are not met, and the Transmission Customer does not secure a waiver of the relevant condition(s), the costs of the upgrades will be directly assigned to the Transmission Customer. If the costs of upgrades associated with a new or changed Designated Resource exceeds the Safe Harbor Cost Limit and the Transmission Customer does not secure a waiver of that limit, the costs of the upgrades in excess of the limit will be directly assigned to the Transmission Customer. The Transmission Customer shall receive transmission revenue credits in accordance with Attachment Z2 to this Tariff for any such directly assigned costs.

C. Waiver of Conditions for Classifying Service Upgrades Associated with Designated Resources As Base Plan Upgrades

1. Waiver Process

If one or more of the conditions in Section III.B. are not met, the Transmission Customer may seek a waiver from the Transmission Provider in order that the costs of the Service Upgrade that otherwise would be directly assigned to the Transmission Customer may be classified in whole or in part as Base Plan Upgrade costs.
If the conditions set forth in Section III.B.1. or III.B.2. of this Attachment are not met, the Transmission Customer must submit its request for a waiver to the Transmission Provider simultaneous with its request for long-term transmission service, submitted in accordance with Attachment Z1 to this Tariff, for the new or changed Designated Resource.

Studies performed by the Transmission Provider as part of the Aggregate Transmission Service Study procedure, which is described in Attachment Z1, will determine whether the costs for Service Upgrades associated with a new or changed Designated Resource may exceed the Safe Harbor Cost Limit. If the Transmission Provider determines that the costs for Service Upgrades associated with a new or changed Designated Resource may exceed the Safe Harbor Cost Limit, the Transmission Provider shall notify the affected Transmission Customer when the Transmission Provider posts the associated Facilities Study. If the affected Transmission Customer intends to request a waiver regarding the costs in excess of the Safe Harbor Cost Limit, the Transmission Customer must submit to the Transmission Provider its request for a waiver within 15 days of such notice.

Following receipt of a request for a waiver, the Transmission Provider will review the request and make a determination on a non-discriminatory basis of whether a waiver should be granted based upon consideration of the factors described in Section III.C.2. of this Attachment. The Transmission Customer requesting the waiver shall be responsible for the reasonable costs of any studies that the Transmission Provider performs in
making its determination. The Transmission Provider will provide a report and recommendation to the Markets and Operations Policy Committee for each requested waiver. The Markets and Operations Policy Committee will consider the waiver request and the Transmission Provider’s report and recommendation, and will provide its own recommendation (along with the Transmission Provider’s report and recommendation) regarding each requested waiver to the SPP Board of Directors. Barring unusual circumstances, a valid waiver request will be reviewed and submitted to the SPP Board of Directors within 120 days following the receipt of the waiver request.

2. **Factors to be Considered in Evaluating Waiver Requests**

   Any waiver request submitted by a Transmission Customer pursuant to Section III.C.1. of this Attachment shall be evaluated based upon the following general factors, including but not limited to:

   i. There are insufficient competitive resource alternatives for one or more Transmission Customers.

   ii. In the event that the aggregate costs of a Service Upgrade associated with a new or changed Designated Resource exceed the Safe Harbor Cost Limit, (i) those costs up to the level of the Safe Harbor Cost Limit shall be classified as Base Plan Upgrade costs, and (ii) those costs that exceed the Safe Harbor Cost Limit may be classified in whole or in part as Base Plan Upgrade costs taking into account the extent to which the duration of the Transmission Customer’s commitment to the new or changed Designated Resource exceeds the five-year commitment period set forth in paragraph III.B.1. above.
iii. The five-year commitment period for the new or changed Designated Resource may be waived if: (i) the associated Service Upgrade costs are significantly less than the Safe Harbor Cost Limit; or (ii) the associated Service Upgrades provide benefits to other Transmission Customers that would offset in less than five years any costs allocated to them as a result of the upgrade being classified as a Base Plan Upgrade.

iv. If a request for a waiver is received by the Transmission Provider based upon other circumstances, such waiver request shall also be considered pursuant to the waiver process described in Section III.C.1. of this Attachment.

If the costs of the Service Upgrade(s) required for a new or changed Designated Resource are not eligible for classification as Base Plan Upgrade costs, the Transmission Customer may nevertheless request the construction of such upgrades. In such event, the costs of such upgrades shall be allocated in accordance with Attachment Z1 to this Tariff.

D. Review of Base Plan Allocation Methodology

1. The Transmission Provider shall review the reasonableness of the regional allocation factor (X%) and the zonal allocation methodology at least once every five years. The Transmission Provider and/or the Regional State Committee may initiate a review of the regional allocation factor and/or the zonal allocation methodology if either body determines that circumstances warrant. Any change in the regional allocation factor and/or the zonal allocation methodology shall be filed with the Commission.
2. For each SPP Transmission Expansion Plan, the Transmission Provider shall calculate the cost allocation impacts of the Base Plan Upgrades to each Transmission Customer within the SPP Region. The results will be reviewed for unintended consequences by the Regional Tariff Working Group and reported to the Markets and Operations Policy Committee and Regional State Committee.

IV. Approved Balanced Portfolios

One hundred percent (100%) of the annual transmission revenue requirement for an approved Balanced Portfolio shall be recovered through the Region-wide Charge.

A. Reallocation of Zonal Revenue Requirements for Deficient Zone(s)

For an approved Balanced Portfolio, the balance may have been achieved by transferring a portion of the Base Plan Zonal Annual Transmission Revenue Requirement and/or the Zonal Annual Transmission Revenue Requirement from the deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement in accordance with Section IV.7.c of Attachment O to this Tariff.

1. Timing of Reallocation of Zonal Revenue Requirements for Deficient Zone(s)

The initial reallocation of the zonal annual transmission revenue requirements from the deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement shall occur when at least 10% of the estimated levelized annual transmission revenue requirements for the approved Balanced Portfolio has been included in rates under the Tariff (the “Trigger Date”).

On the Trigger Date and on the anniversary of the Trigger Date in each of the subsequent four years, 20% of the zonal annual transmission revenue requirements required to balance the portfolio for the deficient Zone(s), as estimated in accordance with Section IV.7.c of Attachment O to this Tariff, shall be reallocated to the Balanced Portfolio Region-wide
Annual Transmission Revenue Requirement. If all the upgrades in the approved Balanced Portfolio are completed and included in rates under the Tariff prior to the fourth anniversary of the Trigger Date, the final reallocation shall be performed and the true-up specified in Section IV.A.2 of this Attachment shall be performed at the time that all of the upgrades in the approved Balanced Portfolio are completed and included in rates under the Tariff.

The reallocation of the zonal annual transmission revenue requirements shall be from the Base Plan Zonal Annual Transmission Revenue Requirement of the deficient Zone(s) first, then, if necessary, from the Zonal Annual Transmission Revenue Requirement of the deficient Zone(s).

2. Final Reallocation of Zonal Revenue Requirements for Deficient Zone(s) and True-up

Upon the completion and inclusion in rates under the Tariff of all of the upgrades that are part of the approved Balanced Portfolio the final amount of costs to be reallocated from the zonal annual transmission revenue requirements for the deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement to balance the approved Balanced Portfolio shall be trued-up based on the applicable fixed charge rate and actual cost for each upgrade. The final reallocation of costs shall be performed using the same benefits estimated at the time the Balanced Portfolio was approved.

Notwithstanding the foregoing, if the ten-year net present value of levelized annual transmission revenue requirements based on actual costs exceeds the ten-year net present value of estimated benefits for the entire approved Balanced Portfolio, then the reallocation for each Zone shall be set at a level that equates the benefit to cost ratio in each Zone to the trued-up benefit to cost ratio for the approved Balanced Portfolio.

B. Reconfiguration of an Approved Balanced Portfolio
1. **Conditions Under Which an Approved Balanced Portfolio may be Reconfigured**

   The Transmission Provider may review and recommend reconfiguring a previously approved Balanced Portfolio. Conditions that may initiate such review and recommendation, include but are not limited to:

   i. Cancellation of an upgrade that is part of an approved Balanced Portfolio;

   ii. Increases in the costs of upgrades that are part of an approved Balanced Portfolio; and

   iii. Significant unanticipated changes in the transmission system.

   The Transmission Provider shall determine the costs and benefits of a reconfigured Balanced Portfolio.

2. **Factors to be Considered in Determining How a Balanced Portfolio Should be Reconfigured**

   Reconfiguration of a Balanced Portfolio shall be evaluated based upon the following general factors, including but not limited to, the impact of the reconfiguration on:

   i. Meeting the conditions for a Balanced Portfolio specified in Section IV.6.e of Attachment O to this Tariff;

   ii. The number of deficient Zones as defined in Section IV.7.a of Attachment O to this Tariff;

   iii. The amount of zonal annual transmission revenue requirements that needs to be transferred from the deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement in order to balance the reconfigured portfolio; and

   iv. The increase in the overall cost of the reconfigured Balanced Portfolio, if upgrades are added to the portfolio.

3. **Reallocation of Zonal Revenue Requirements for Deficient Zone(s)**

   If a reconfigured portfolio is to be balanced by transferring a portion of the zonal annual transmission revenue requirements from the
deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement, the reallocation of the revenue requirements specified in Section IV.A of this Attachment shall be adjusted based on the costs and benefits of the proposed reconfigured Balanced Portfolio as approved.

4. **Recommendation and Approval of a Reconfigured Balanced Portfolio**

   Based on the analysis performed in accordance with Sections IV.B.1 through 3 of this Attachment, the Transmission Provider will provide a report and recommend a reconfigured Balanced Portfolio to the Markets and Operations Policy Committee. The Markets and Operations Policy Committee will consider the Transmission Provider’s report and recommendation, and will provide its own recommendation (along with the Transmission Provider’s report and recommendation) to the SPP Board of Directors. Based upon these recommendations, the SPP Board of Directors shall take action regarding reconfiguration of the Balanced Portfolio.

V. **Other Network Upgrades**

   A. **Sponsored Upgrades**

      The Directly Assigned Upgrade Cost of a Sponsored Upgrade shall be borne voluntarily by the Project Sponsor. The Project Sponsor shall execute an Agreement for Sponsored Upgrade in which it agrees to bear these Directly Assigned Upgrade Costs. In the Agreement, the Project Sponsor shall elect to pay for the Sponsored Upgrade by (1) a lump sum payment or (2) periodic charges calculated in accordance with Commission policy. Such periodic charges shall be paid on a monthly basis over a twenty year period unless a different frequency and/or shorter term is established in the Agreement for Sponsored Upgrade. The present value of the stream of periodic charges over the term of the payments shall equal the present value of the projected annual revenue requirements of the Sponsored Upgrade over a twenty year plant life. The annual costs of the facility shall be calculated by multiplying the levelized fixed charge rate of the Transmission Owner, based on a 20 year plant life and including operating and
maintenance expenses plus any applicable tax consequences, by the nondepreciated actual cost of the facility.

The Transmission Provider shall file the Agreement initially utilizing good faith estimates of the construction costs for the assigned upgrade. Upon completion of the Sponsored Upgrade, the Transmission Provider shall true up the Directly Assigned Upgrade Costs to the actual construction costs as appropriate.

In addition, the Directly Assigned Upgrade Cost of the Sponsored Upgrade shall be reduced as provided in Section VII of this Attachment J.

The Project Sponsor shall receive transmission revenue credits in accordance with Attachment Z2.

B. Service Upgrades

The cost of a Service Upgrade shall be allocated in accordance with Attachment Z1 to this Tariff. The Transmission Customer shall receive transmission revenue credits in accordance with Attachment Z2.

C. Generation Interconnection Related Network Upgrades

The cost of a generation interconnection related Network Upgrade shall be allocated in accordance with Attachment V to this Tariff. The Interconnection Customer shall receive transmission revenue credits in accordance with Attachment V.
D. Zonal Reliability Upgrades

1. The cost of Zonal Reliability Upgrades (i) included in the 2005 SPP Transmission Expansion Plan and (ii) placed in service prior to January 1, 2008 shall be allocated in accordance with Section III to this Attachment.

2. The cost of all other Zonal Reliability Upgrades shall be includable in the applicable Zonal Annual Transmission Revenue Requirement.

VI. Reserved

VII. Treatment of Upgrades that Permit Deferral or Displacement of Network Upgrades

A. Deferred Base Plan Upgrade, Balanced Portfolio, Zonal Reliability Upgrade, or Service Upgrade

In the case of a Base Plan Upgrade, upgrade that is part of an approved Balanced Portfolio, Zonal Reliability Upgrade, or Service Upgrade that may be deferred as a result of the Network Upgrade (“Deferred Upgrade”), the achievable Avoided Revenue Requirement shall be equal to the time value of the affected Transmission Owner’s(s’) revenue requirement(s) for the Deferred Upgrade over the period of the deferral, calculated as follows:
1. A Transmission Owner’s annual revenue requirement for a Deferred Upgrade shall be determined using the same method as is used by the Transmission Owner to calculate its revenue requirement for transmission facilities for other purposes, but applying that method to the projected incremental investment in the Deferred Upgrade.

2. The time value of the deferral shall be calculated by discounting to present value the avoided annual revenue requirement for each individual year in the deferral period and summing the resulting values. For each individual year in the deferral period, the time value of the deferral will be determined by discounting the annual revenue requirement for that year first from January 1 of that year and then from December 31 of that year, summing the two resulting values, and dividing by two. For any partial year encompassed by the deferral period, the time value of the deferral shall be calculated in the same manner as indicated in the immediately preceding sentence, except that the resulting value will be pro-rated based on the number of months in the partial year divided by 12.

B. Displaced Base Plan Upgrade, Balanced Portfolio, Zonal Reliability Upgrade, or Service Upgrade

In the case of a Base Plan Upgrade, upgrade that is part of an approved Balanced Portfolio, Zonal Reliability Upgrade, or Service Upgrade that may be displaced as a result of the Network Upgrade (“Displaced Upgrade”), the achievable Avoided Revenue Requirement shall be equal to the time value of the affected Transmission Owner’s(s’) revenue requirement(s) for the Displaced Upgrade over the expected service

Issued by: L. Patrick Bourne, Director
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Issued on: March 28, 2008
Effective: May 27, 2008
life of the facility that is displaced. The methodology for calculating the Avoided Revenue Requirement shall be the same as set forth in Section VII.B. of this Attachment, except that the expected service life of the facility shall be substituted for the deferral period in all instances.

C. Avoided Revenue Requirement

To the extent a Network Upgrade defers or displaces the need for a Base Plan Upgrade, an upgrade that is part of an approved Balanced Portfolio, a Zonal Reliability Upgrade, or a Service Upgrade the Transmission Provider shall calculate the Avoided Revenue Requirements that are achievable due to such upgrade. The Avoided Revenue Requirements shall be based on the estimated project costs for the approved upgrade which is deferred or displaced.

1. If such upgrade defers or displaces the need for a Base Plan Upgrade associated with a new or changed Designated Resources for which there are Directly Assigned Upgrade Costs, the Avoided Revenue Requirements shall only include the costs that are allocated to the Base Plan Zonal Annual Transmission Revenue Requirement and the Base Plan Region-wide Annual Transmission Revenue Requirement.

2. If such upgrade defers or displaces the need for an upgrade that is part of an approved Balanced Portfolio, the Avoided Revenue Requirements shall only include the costs that are allocated to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement.

3. If such upgrade defers or displaces the need for a Zonal Reliability Upgrade, the Avoided Revenue Requirements shall only include the costs that are assigned to the Zonal Annual Transmission Revenue Requirement.

4. If such upgrade defers or displaces the need for a Service Upgrade [that is not Base Plan funded], the Avoided Revenue Requirements shall only include the portion of the charges paid by the Transmission Customer in excess of the normally applicable transmission access charges for the associated transmission service specified in Schedule 7 to this Tariff.
D. Allocation of Avoided Revenue Requirements

1. For Network Upgrades, other than upgrades included in a Balanced Portfolio, that defer or displace the need for a Base Plan Upgrade, an upgrade that is part of an approved Balanced Portfolio, a Zonal Reliability Upgrade or a Service Upgrade:

   i. The Avoided Revenue Requirements associated with a deferred or displaced Base Plan Upgrade shall be allocated in accordance with Section III.A of this Attachment.

   ii. The Avoided Revenue Requirements associated with a deferred or displaced upgrade that is part of an approved Balanced Portfolio shall be allocated in accordance with Section IV of this Attachment.

   a. X% of the Avoided Revenue Requirements shall be allocated to the Base Plan Region-wide Transmission Revenue Requirement and recovered through the Base Plan Region-wide Charge. The initial value of X shall be 33%.¶

   b. (100-X)% of the Avoided Revenue Requirements shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement and recovered through the Base Plan Zonal Charge. The portion of the Avoided Revenue Requirements which shall be allocated to the specific Zones that would have benefited from the Base Plan Upgrade project(s) that will be deferred or displaced. The zonal allocation of the Avoided Revenue Requirements shall be determined in accordance with Section III.A. of this Attachment and Section 4 of Attachment S to this Tariff.¶
iii. The Avoided Revenue Requirements associated with a deferred or displaced Zonal Reliability Upgrade shall be allocated in accordance with Section V.D. of this Attachment.

iv. The Avoided Revenue Requirements associated with a deferred or displaced Service Upgrade shall be allocated in accordance with Section V.B. of this Attachment.

v. The entity responsible for paying the cost of the Network Upgrade that defers or displaces a Base Plan Upgrade, an upgrade that is part of an approved Balanced Portfolio, a Zonal Reliability Upgrade, or a Service Upgrade shall be responsible for the net of the present value of the total costs for its upgrade less the present value of the Avoided Revenue Requirements. The method for determining the Avoided Revenue Requirement shall be filed with the Commission prior to the imposition of any charges or credits hereunder.

2. For upgrades included in an approved Balanced Portfolio that defer or displace the need for a Base Plan Upgrade, a Zonal Upgrade, or a Service Upgrade, in the evaluation of the benefits of the Balanced Portfolio as specified in Section IV.6.d of Attachment O to this Tariff:

i. The Avoided Revenue Requirements associated with the deferred or displaced Base Plan Upgrade shall be treated as benefits to the Zones to which those costs would have been otherwise allocated;

ii. The Avoided Revenue Requirements associated with the deferred or displaced Zonal Reliability Upgrade shall be treated as benefits to the Zone(s) to which those costs would have been otherwise allocated; and

iii. The Avoided Revenue Requirements associated with the deferred or displaced Service Upgrade shall be treated as benefits to the Zone(s) to which the transmission service revenues are allocated.
iv. The costs of the upgrades included in an approved Balanced Portfolio that defer or displace the need for a Network Upgrade shall be included in the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement and shall be recovered through the Region-wide Charge. The costs of the Network Upgrade that is deferred or displaced by the upgrades included in an approved Balanced Portfolio shall not be recovered through the original recovery mechanism for such upgrade.

VIII. Uncompleted Network Upgrades

The costs of Network Upgrades that are not completed through no fault of the Transmission Owner charged with construction of the upgrades shall be handled as follows:

If a proposed Network Upgrade was accepted and approved by the Transmission Provider, the Transmission Provider shall develop a mechanism to recover such costs and distribute such revenue on a case by case basis. Such recovery and distribution mechanism shall be filed with the Commission. 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, study costs, and any construction costs.
ATTACHMENT L – DRAFT 06-27-08
TREATMENT OF REVENUES

I. Payments And Distribution Of Revenues

Payment will be made in accord with Section 7 of this Tariff to the Transmission Provider as agent for the Transmission Owners for all services provided under this Tariff except that payments to the Transmission Provider for use of Energy Imbalance Service will be made in accord with Section 6 of Attachment AE. The Transmission Provider will distribute the revenues received to the Transmission Owners and to the providers of ancillary services in accord with the provisions of this Attachment L.

II. Distribution Of Transmission Service Revenues Associated With The Zonal Annual Transmission Revenue Requirement

Transmission service revenues associated with the Zonal Annual Transmission Revenue Requirement shall be distributed in accordance with the following:

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. Nothing herein is intended to supersede or otherwise affect rights that any party to a Grandfathered Agreement may have with respect to termination of the Grandfathered Agreement. In the event that a Grandfathered Agreement remains in effect

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2008
Effective: May 27, 2008
between or among two or more Transmission Owners in a multi-owner Zone other than Zone 1, the associated charges and revenues will be treated as set forth in Section II.B.2(b) below for purposes of determining the appropriate distribution of revenues among the Transmission Owners in that Zone.

B. Revenue Distribution – Network Integration Transmission Service

1. Single-Owner Zones

Where there is only one Transmission Owner in a Zone, revenues associated with facilities with a Zonal Annual Transmission Revenue Requirement shall be distributed as follows:

   (a) Except to the extent required under paragraph II.B.1(b) of this Attachment L, revenues collected by the Transmission Provider under Schedule 9 in connection with the provision of Network Integration Transmission Service shall be distributed to the Transmission Owner in the Zone where the Network Load is located.

   (b) When a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3 of the Tariff, revenues collected by the Transmission Provider for Network Integration Transmission Service for that portion of the Network Customer’s Network Load shall be distributed among Transmission Owners on the same basis as the revenues collected in connection with the provision of Point-To-Point Transmission Service.

2. Multi-Owner Zones

When more than one Transmission Owner within a single Zone has established its owner-specific zonal annual revenue requirement (“OZRR”), the Transmission Provider shall distribute revenues owed to the Transmission Owners in the Zone as described below.
(a) Except to the extent required under paragraph II.B.2(e) of this Attachment L, the Transmission Provider shall distribute revenues it collects under Schedule 9 to each Transmission Owner in the Zone where the load is located in proportion to its respective share of the Zonal Annual Transmission Revenue Requirements (“ZRR”) shown in Attachment H for that Zone, as adjusted in accordance with paragraph II.B.2(b) below. The resulting adjusted OZRRs of the Transmission Owners in the Zone as calculated in paragraph II.B.2(b) below will be combined to provide the basis for distribution of revenues from Schedule 9 charges.

(b) For any year in which a Transmission Owner is a seller of transmission service to another Transmission Owner within the same Zone under one or more Grandfathered Agreements, the selling Transmission Owner’s OZRR used to allocate revenue from Schedule 9 charges shall be reduced by the revenues associated with these Grandfathered Agreements in that year, but only to the extent that such costs have not already been credited against the selling Transmission Owner’s OZRR. For any year in which a Transmission Owner is a purchaser of transmission service from a Transmission Owner within the same Zone under one or more Grandfathered Agreements, the purchasing Transmission Owner’s OZRR shall be increased by the charges payable under these Grandfathered Agreements in that year, but only to the extent those charges are not already included in the purchasing Transmission Owner’s OZRR.
For each Transmission Owner in the Zone that has elected not to take Network Integration Transmission Service for its Native Load Customers or that has elected not to make payments to the Transmission Provider for its OZRR in taking Network Integration Transmission Service for its Native Load Customers and/or that provides long term transmission service under Grandfathered Agreements (other than those addressed in paragraph II.B.2(b) above), the Transmission Provider shall compute hypothetical NITS payments equal to the cost to serve its Native Load Customers and to serve long-term customers served under Grandfathered Agreements (other than those addressed in paragraph II.B.2(b) above) as if those customers were paying for service under Schedule 9.

For each Transmission Owner, the Transmission Provider shall calculate an amount equal to the sum of hypothetical NITS payments determined in accordance with paragraph II.B.2(c) above, if any, plus distributed Schedule 9 charges in accordance with paragraph II.B.2(a) above, less its OZRR as adjusted pursuant to paragraph II.B.2(b) above. If the resulting amount is positive, the Transmission Owner shall pay the Transmission Provider this amount. If the resulting amount is negative, the Transmission Provider shall pay the Transmission Owner this amount.

The treatment described in paragraphs II.B.2(b)-(d) above is premised on the assumption that the annual transmission revenue requirement of the Transmission Owner that is the seller under a Grandfathered Agreement has not been reduced by the amount of the charges associated with the Grandfathered Agreement. In such circumstances, the parties to the Grandfathered Agreement will attempt to reach agreement on a treatment of the Grandfathered Agreement that results in appropriate compensation to the Transmission Owners in the Zone while preventing the imposition of excessive costs on others. If the Transmission

Issued by: L. Patrick Bourne, Director
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Issued on: March 28, 2008
Effective: May 27, 2008
Owners in the Zone are unable to reach agreement, either Transmission Owner may invoke the dispute resolution procedures of the Tariff or seek a determination from FERC as to the appropriate treatment of the Grandfathered Agreement charges.

(f) When a Network Customer has designated Network Load outside the Transmission Provider’s Transmission System under Section 31.3 of the Tariff, revenues collected by the Transmission Provider for Network Integration Transmission Service for that portion of the Network Customer’s Network Load shall be distributed among Transmission Owners on the same basis as the revenues collected in connection with the provision of Point-To-Point Transmission Service.

(g) Sections II.B.2(a) through II.B.2.(e) above do not apply to Zone 1. In the event a Transmission Owner within Zone 1 other than American Electric Power establishes its owner-specific zonal annual revenue requirement ("OZRR") as stated in Attachment H, that subsequent Transmission Owner will be entitled to receive revenue, collected by the Transmission Provider from other Transmission Customers within Zone 1 including any Transmission Owner within Zone 1 taking service under Section 39, in an amount equal to one minus that Transmission Owner’s Load Ratio Share of the Zone 1 total Network Load multiplied by that Transmission Owner’s OZRR.

(h) Nothing herein is intended to supersede or otherwise affect rights that any Transmission Owner in a multi-owner Zone may have to seek designation of its facilities as a separate Zone under the Tariff.
C. Revenue Distribution -- Point-To-Point Transmission Service

Irrespective of the number of Transmission Owners in a Zone, and except to the extent required under Section IV of this Attachment L, revenues collected by the Transmission Provider under Schedules 7 and 8 and revenues allocated pursuant to paragraphs II.B.1(b) and II.B.2(f) shall be distributed as follows:

(a) If the generation source(s) and load(s) are located within a single Zone, 50% of the revenues shall be distributed to the Transmission Owner(s) in that Zone in proportion to their respective shares of the ZRR, and 50% of the revenues shall be distributed to the Transmission Owner(s) in that Zone in proportion to the MW-mile impacts incurred by each such Transmission Owner.

(b) In all instances other than that described in the preceding paragraph, 50% of the revenues shall be distributed to the Transmission Owners in proportion to their respective shares of the sum of the Zonal Annual Transmission Revenue Requirements for all Zones; and 50% of the revenues shall be distributed to the Transmission Owners whose facilities incur MW-mile impacts due to the transaction, in proportion to the MW-mile impacts incurred by each such Transmission Owner. A Transmission Owner’s OZRR used for this purpose shall be that stated in Attachment H. The MW-mile impacts shall be determined by use of the procedures in Attachment S.
III. Distribution Of Revenues From Base Plan Zonal Charges and Region-wide Charges

Revenues associated with the Base Plan Zonal Annual Transmission Revenue Requirements and with the Region-wide Annual Transmission Revenue Requirement, specified in Attachment H and collected by the Transmission Provider under Schedule 11 of the Tariff, shall be distributed to Transmission Owners owning Base Plan Upgrades or upgrades within approved Balanced Portfolios in proportion to their respective annual transmission revenue requirements for Base Plan Upgrades and upgrades within approved Balanced Portfolios.

IV. Distribution 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 of the Tariff 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 to the Tariff.

4. Revenues associated with Scheduling, System Control and Dispatch Service under Schedule 1 shall be allocated to the Transmission Owners whose Control Area Operators within the transmission system provide such service as follows:

   a. For Firm or Non-Firm Point-To-Point Transmission Service, for through and out transactions, Schedule 1 charge revenues shall be allocated to Transmission Owners in proportion to the respective scheduling revenue requirement of each such Transmission Owner associated with the provision of this service.
b. For Customers taking Firm or Non-Firm Point-To-Point Transmission Service, for transactions into and within the Transmission System, Schedule 1 charge revenues shall be allocated to Transmission Owner whose Zone is the Point of Delivery.

c. For Customers taking Network Integration Transmission Service, Schedule 1 charge revenues shall be allocated to Transmission Owner in whose Zone the load is located.

5. Revenues associated with Tariff Administration Service under Schedule 1 will remain with the Transmission Provider to pay for the costs of providing that service.

6. 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).

7. Transmission Owner costs associated with System Impact and Facilities Studies compensated by the Transmission Customer shall go to the appropriate Transmission Owner(s).
8. The revenues associated with Direct Assignment Facilities shall go directly to the Transmission Owner(s) owning the facilities.

9. The revenues associated with Network Upgrades, not otherwise provided for in Section III of this Attachment L, shall be first assigned to the Transmission Owner building the Network Upgrades to meet the annual revenue requirements of such facilities. If multiple Transmission Owners construct the facilities, the revenues shall be shared in accordance with each Transmission Owner’s respective revenue requirement for such facilities or as otherwise agreed by the Transmission Owners. The remaining revenues shall be allocated in accordance with Section II of this Attachment L.

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

11. Any additional revenues received under Section 22.1 of the Tariff shall be treated in the same manner as revenues under Section II.B.2 for single-owner Zones, and Section II.C.2 for multi-owner Zones, of this Attachment L.
ATTACHMENT O – DRAFT 06-27-08

TRANSMISSION PLANNING PROCESS

The Transmission Provider’s transmission planning process is an open process. New transmission facilities or increases in physical transmission ratings can come from five different areas of the Tariff. These areas are: 1) transmission service requests; 2) Generation Interconnection Service requests; 3) upgrades needed to satisfy reliability criteria (reliability upgrades); 4) upgrades that provide economic benefits as part of a Balanced Portfolio; and 5) upgrades that do not fit these other categories (Sponsored Upgrades). Each of these sources of upgrades has its own evaluation and approval process. The results from all these sources are collected and reported in the annual SPP Transmission Expansion Plan which gives a ten (10) year projection of transmission changes in the SPP Region. The SPP Transmission Expansion Plan, as endorsed by the Markets and Operations Policy Committee, is presented to the SPP Board of Directors once a year for their review and approval, as required in accordance with Section VII of this Attachment O. The SPP Board of Directors may modify reliability upgrades and upgrades that are part of approved Balanced Portfolios to the SPP Transmission Expansion Plan throughout the year in accordance with Section VII of this Attachment O. Projects associated with transmission service requests and Generation Interconnection Service requests and Sponsored Upgrades are also added throughout the year as Service Agreements and interconnection agreements are executed.
The Annual Transmission Planning Process

- **Upgrades from Transmission Requests**
  - Sections 19, 32 and Attachment Z1 (Section I)
- **Upgrades from LGIP**
  - Attachment V (Section II)
- **Reliability Upgrades**
  - Section III
- **Economic Upgrades**
  - Section IV
  - Analysis of Proposed Economic Portfolios
- **Initial Planning Model**
- **Approved “Out of Cycle” Reliability Upgrades and Sponsored Upgrades**
- **Reliability Projects & Balanced Portfolios Endorsed by Stakeholder Working Groups and Approved by the BOD**
  - Section VIII
- **Sponsored Projects**
  - Section V
  - Reviewed by TP "Out of Cycle"
  - Reviewed by Stakeholder Working Groups
  - Endorsed by BOD
  - Financial Commitment by Requesting Entity
  - Annual SPP Transmission Expansion Plan (Section VIII)

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: December 14, 2007
Effective: December 14, 2007

References to the “stakeholder working group” is a generic term that references those working group(s) as defined in the SPP Bylaws, Sections 3 through 6 that are charged with the transmission planning process. The current names of all the working groups shall be posted on the SPP website.

I. Transmission Upgrades Related to Transmission Service Requests

Transmission upgrades related to requests for transmission service are described in Sections 19 and 32 of the Tariff and Attachment Z1 to the Tariff. These upgrades are included as part of the future expansion of the transmission system, upon the execution of the various Service Agreements with the Transmission Customers. Transmission upgrades related to an approved request for transmission service may be deferred or supplemented by other upgrades based upon the results of subsequent studies. Changes in planned upgrades do not remove the obligation of the Transmission Provider to have adequate transmission facilities available to start or continue the approved transmission service.

II. Transmission Upgrades Related to Generation Interconnection Service Requests

Interconnection facilities and other transmission upgrades related to requests for generation interconnection service are described in Attachment V. These upgrades are included as part of the future expansion of the transmission system upon the execution of the various interconnection agreements with the Generation Interconnection Customers. Transmission upgrades related to an approved interconnection agreement may be deferred or supplemented by other upgrades based upon the results of subsequent studies. Changes in planned upgrades do not remove the obligation of the Transmission Provider to have adequate transmission facilities available to start or continue the approved interconnection service.

III. Transmission Upgrades Needed to Satisfy Reliability Criteria

Reliability upgrades are those transmission upgrades and additions that are required to meet NERC, SPP and the Transmission Owner’s local area reliability criteria. Section III describes the process of determining these requirements, how the requirements are approved, and ultimately how the final set of reliability projects is selected. In this area of transmission planning the future grid requirements for maintaining service to firm transmission service sold in the past is evaluated and approved.

1) Roles and Responsibilities
a) The rights, powers and obligations for planning are set forth in the SPP Membership Agreement in (i) Articles 2.1.1(j), 2.1.5 and 2.2(a) for the Transmission Provider and (ii) Articles 3.5 and 3.9 for the Members. The division of responsibility between the Transmission Provider and the Members is set forth in Section 3.0 of the SPP Criteria and in this Attachment O. The SPP Membership Agreement, the SPP Criteria and the Tariff shall be posted on the SPP website.

b) The Transmission Provider shall be responsible for developing the list of reliability projects in accordance with the stakeholder process set forth in Sections III.2, III.3 and VII of this Attachment O, and including inter-regional coordination set forth in Section X of this Attachment O.

c) To develop the list of reliability projects, the Transmission Provider shall perform transmission planning studies to assess the reliability and economic operation of the Transmission System.

d) In concert with the planning process to develop the reliability projects, the Transmission Provider shall include and maintain requirements to serve existing commitments for long-term transmission service and interconnection service in accordance with Sections I and II of this Attachment O and any applicable roll-over rights as set out in Section 2.2 of the Tariff. It shall also take into account all previously approved projects.

2) Stakeholder Working Groups

a) The purpose of the stakeholder working groups is to provide technical advice, assistance and oversight to the Transmission Provider in all aspects of the regional, sub-regional and local planning process, including but not limited to:

i) Review and development of coordinated planning among the Transmission Owners and the Transmission Provider;

ii) Review and development of regional planning criteria;

iii) Review and development of Available Transfer Capability related calculation criteria as specified in Attachment C to the Tariff;

iv) Review and development of transmission rating criteria; and

v) Compliance with NERC Reliability Standards concerning transmission assessment, transfer capability and ratings of transmission facilities.

b) All the stakeholder working group representation shall be appointed and chaired in accordance with Article 3.0 of the SPP Bylaws. All meetings of the stakeholder working groups are open to all entities.

c) Voting in the various stakeholder working groups shall conform to Article 3.9 of the SPP Bylaws.
d) The data, information, and technical support necessary for the Transmission Provider to perform studies as required by the planning process and to develop the regional reliability projects are provided by the Transmission Owners, Transmission Customers and Generation Interconnection Customers and other entities within the area for which SPP is the regional entity. This process is described in Section IX of this Attachment O.

e) Stakeholder working groups that work with the Transmission Provider on transmission planning shall meet at least quarterly and additional meetings, web conferences and teleconferences shall be scheduled as needed. Teleconference capability will be made available for stakeholder working group meetings. Notice of meetings of the stakeholder working groups shall be posted on the SPP website and distributed via email distribution lists. Meeting agendas and minutes shall be posted on the SPP website.

3) Transmission Planning Forums

a) Planning Summits
   
i) The purpose of the planning summits is for the Transmission Provider and the stakeholders to share current SPP transmission network issues, develop the study scopes, provide solution alternatives and review study findings. These summits also provide an open forum where all stakeholders have an opportunity to provide advice and recommendations to the Transmission Provider to aid in the development of the SPP Transmission Expansion Plan.
   
ii) The planning summits shall be open to all entities.
   
iii) The Transmission Provider shall chair and facilitate the planning summits.
   
iv) Planning summits shall be held at least semi-annually, including sub-regional breakout sessions of the SPP Region. Teleconference capability will be made available for planning summits. Planning summit web conferences shall be held as needed.
   
v) Notice of the planning summits and web conferences shall be posted on the SPP website and distributed via email distribution lists.

b) Sub-regional Planning Meetings
   
i) The Transmission Provider shall define sub-regions from time to time to address local area planning issues.
   
ii) The purpose of the sub-regional planning meetings is to identify unresolved local stakeholder issues and transmission solutions at a more granular level than can be accomplished at general regional planning meetings. The sub-regional planning meetings shall provide stakeholders with local needs the opportunity to provide advice and recommendations to the Transmission Provider and to the Transmission Owners. The sub-regional planning meetings shall provide a forum to review local planning criteria as specified in Section III.5.b of this Attachment O.
iii) The sub-regional planning meetings shall be open to all entities.
iv) The Transmission Provider shall facilitate the sub-regional planning meetings.
v) A planning meeting shall be held at least annually for each individual sub-region.
vi) The sub-regional planning meetings shall be held in conjunction with the stakeholder working group meetings. Teleconference capability will be made available for sub-regional planning meetings. Sub-regional planning web conferences shall be held as needed.
vii) Notice of the sub-regional planning meetings, teleconferences and web conferences shall be posted on the SPP website and distributed via email distribution lists.

c) Participation by State Regulators
In accordance with Article 7.0 of the SPP Bylaws, any regulatory agency having utility rates or services jurisdiction over a Member may participate fully in all SPP planning activities.

4) Reliability Studies

a) The Transmission Provider shall summarize the regional, sub-regional and local transmission needs of the SPP Region into a single plan which is assessed on the basis of maintaining the reliability of the SPP Region and economic transmission improvement opportunities.
b) The reliability studies shall conform to the NERC Reliability Standards, the SPP Criteria, and to company-specific planning criteria.
c) The reliability studies shall cover, at a minimum, the subsequent ten year planning horizon. Information included as part of the analysis is:
i) Previously identified and approved transmission projects;
ii) Load and capacity forecasts, including the impact on load of existing and planned demand response resources;
iii) Long-term firm transmission service; and
iv) Generation additions and retirements.
d) The details regarding expansion planning methodology, criteria, assumptions and data are included in the SPP Transmission Expansion Planning Manual which shall be posted on the SPP website.
e) The reliability studies shall accommodate and model the specific long-term firm transmission service of the Transmission Customers with Service Agreements under the Tariff and specific interconnections of Generation Interconnection Customers with interconnection agreements under the Tariff, where such Service Agreements and interconnection agreements are either executed or filed unexecuted with the Commission. The reliability studies shall also accommodate and model economic upgrades within approved Balanced Portfolios and...
Sponsored Upgrades that have been approved for construction in accordance with Section VIII of this Attachment O.

Issued by: L. Patrick Bourne, Director
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Issued on: December 14, 2007 Effective: December 14, 2007

f) The reliability studies shall accommodate and reflect demand response resources which are capable of providing the functions assessed in the SPP planning process, and can be relied upon on a long-term basis. Such demand response resources shall be permitted to participate in the planning process on a comparable basis to the service provided by comparable generation resources where appropriate.

g) Each annual reliability report shall include a list of the following:
   i) Regional upgrades required to maintain reliability in accordance with the NERC Reliability Standards and SPP Criteria;
   ii) Zonal upgrades required to maintain reliability in accordance with more stringent individual Transmission Owner planning criteria; and
   iii) Inter-regional upgrades developed with neighboring Transmission Providers to meet inter-regional needs, including results from the coordinated system plans.

5) Transmission Planning Criteria

a) Regional Planning Criteria
   i) The regional planning criteria are comprised of the NERC Reliability Standards and SPP Criteria.
   ii) The regional planning criteria may change from time to time based upon the then current process for changing reliability criteria.
   iii) The individual transmission owners shall be obligated under the NERC Reliability Standards and SPP Criteria to resolve reliability violations and compliance needs identified by the Transmission Provider or by the individual transmission owners themselves in accordance with these standards and criteria. The SPP Criteria shall be posted on the SPP website.

b) Local Planning Criteria
   i) Individual Transmission Owners within the SPP Region may develop company-specific planning criteria that, at a minimum, conform to the NERC Reliability Standards and SPP Criteria.
   ii) For each annual planning cycle, Transmission Owners must provide to the Transmission Provider at least once a year, by April 1st their company-specific planning criteria in order for the need for Zonal Reliability Upgrades to be assessed and included in the SPP Transmission Expansion Plan.
   iii) Transmission Owner planning criteria may be modified at any time provided that, if the planning criteria are made more stringent, the increased requirements will not apply retroactively to studies previously completed or studies already underway by the Transmission Provider. Access to the individual Transmission Owner planning criteria shall be made available via the SPP website.
iv) The individual planning criteria of each Transmission Owner shall be the basis for determining whether a reliability violation exists for which a need for a new Zonal Reliability Upgrade should be considered.

v) The Transmission Owner shall apply its local planning criteria comparably to all load in its service territory.

IV Transmission Upgrades That Provide Economic Benefits

Economic upgrades are those transmission upgrades and additions that have been shown to provide customers access to generation options such that the potential energy savings exceed the cost of the proposed transmission upgrade(s). This section describes the process of determining how these upgrades are identified and added to the SPP Transmission Expansion Plan.

1) Overview of the Process

Following is a flow chart of the process to perform the economic assessment and economic planning studies.
Economic Assessment and Economic Planning Study
Process Flow Chart

1. Collect & Verify Input Data
2. Develop Base Case Model
3. Develop Specific Base Case Modeling Assumptions
4. Benchmark Base Case
5. Develop Study Models
6. Screen Economic Upgrades
7. Evaluate Potential Balanced Portfolios & Other High Priority Studies
8. Assess Impact on Reliability Plan & Modify as Needed
9. Publish Results & Review w/Stakeholders
10. Stakeholder Input on Potential Economic Upgrades & High Priority Study Requests
11. Stakeholder Input to Develop Potential Balanced Portfolios & Other High Priority Studies
12. Endorsement of Sponsored Upgrades by BOD & Financial Commitment by Project Sponsor
13. Approval of Balanced Portfolio by BOD
14. Incorporate in STEP

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: December 14, 2007
Effective: December 14, 2007

2) Economic Assessment

a) The Transmission Provider shall perform an economic assessment as part of the planning process described in Section VI of this Attachment O.

b) The economic assessment shall be based on the most current planning model(s) and shall address:
   i) Congestion within the SPP Region;
   ii) Congestion between the SPP Region and other regions and balancing areas.

3) High Priority Studies

a) The Transmission Provider shall perform high priority studies in accordance with this Attachment O and the Transmission Network Economic Modeling & Methods manual which shall be posted on the SPP website.

b) Potential Balanced Portfolios, as developed through the process specified in Sections IV.4 through IV.7, shall be considered to be high priority studies.

c) The stakeholders may request high priority studies. Annually, the costs of up to three high priority studies requested by the stakeholders and performed by the Transmission Provider shall be recovered pursuant to Schedule 1-A of this Tariff. A high priority study of a potential Balanced Portfolio initiated by the Transmission Provider will not be considered a stakeholder request pursuant to this Section IV.3.c.

d) The Transmission Provider, in consultation with the stakeholders, shall develop the scope for each high priority study and post the scope(s) on the SPP website.

e) Each study shall include:
   i) Quantification of benefits and costs in accordance with this Attachment O and the Transmission Network Economic Modeling and Methods manual; and
   ii) An analysis of the sensitivity of the economics of the upgrades included in the high priority study to changes in assumptions.

f) The Transmission Provider shall solicit input from the stakeholders and the Regional State Committee regarding the appropriate sensitivity analyses to be performed.

g) For each high priority study the Transmission Provider shall publish a report, including but not limited to, the study input assumptions, the estimated cost of the upgrades included in the high priority study, the expected economic benefits of the upgrades, and identify reliability impacts, if any, of the upgrades. The report and related studies and the criteria, assumptions and data underlying the report shall be posted on the SPP website, with password protected access if required to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement and to address Critical Energy Infrastructure Information (CEII) requirements. The CEII compliant redacted...
4) Identification of Potential Economic Upgrades

The Transmission Provider shall solicit suggestions of potential economic upgrades as outlined in the study scope. The Transmission Provider may also suggest potential economic upgrades. The Transmission Provider shall post the list of all potential economic upgrades on the SPP website, subject to confidentiality requirements. Suggestion of potential economic upgrades does not require the submission of a specific request for transmission service or for interconnection service.

5) Screening Analysis of Potential Economic Upgrades

a) The Transmission Provider shall perform a screening analysis of the potential economic upgrades.

b) To perform the screening analysis, the Transmission Provider shall estimate the cost and the benefit of each potential economic upgrade.

c) The screening analysis shall establish a relative ranking of all potential economic upgrades based on the ratio of the estimated benefit to the estimated cost.

d) The Transmission Provider shall post a list of all of the potential economic upgrades screened and the results of the screening analysis, including their relative rankings, on the SPP website.

e) The Transmission Provider shall discuss the results of the screening analysis with the stakeholder working groups and with stakeholders at a planning summit or web conference.

6) Evaluation of Potential Balanced Portfolios

a) The Transmission Provider shall solicit input from stakeholders on combinations of potential economic upgrades to be evaluated as potential Balanced Portfolios.

b) Each economic upgrade to be included in a potential Balanced Portfolio:

i) Must include a 345 kV or higher voltage facility;

ii) May include lower voltage transmission facilities needed to integrate the 345 kV or higher facilities and achieve the benefits; however, the cost of the lower voltage transmission facilities cannot exceed the cost of the 345 kV or higher facilities included in the economic upgrade; and

iii) An economic upgrade that includes lower voltage transmission facilities for which the cost of such facilities exceeds the cost of the 345 kV or higher facilities constituting the economic upgrade may be included in the evaluation of a potential Balanced Portfolio, if a Project Sponsor agrees to

Issued by: L. Patrick Bourne, Director
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Issued on: December 14, 2007                      Effective: December 14, 2007

bear the portion of the cost of the lower voltage facilities that is in excess of the cost of the 345 kV or higher facilities.

c) The Transmission Provider shall determine for each Zone the net present value of the revenue requirements of each potential Balanced Portfolio as follows:
   1. The revenue requirements for each potential Balanced Portfolio shall be calculated as if all of the economic upgrades associated with the potential Balanced Portfolio are simultaneously available to the power system. This requirement is for evaluation purposes only and shall not restrict the timing of the construction of individual economic upgrades within a Balanced Portfolio approved by the SPP Board of Directors.
   2. Based on input from the Transmission Owners and other pertinent information, the Transmission Provider shall estimate the construction costs of each economic upgrade in the potential Balanced Portfolio.
   3. For each economic upgrade in the potential Balanced Portfolio, the Transmission Provider shall use the transmission fixed charge rate(s) for the appropriate Transmission Owner(s) to estimate the revenue requirements. In each annual planning cycle, the Transmission Owner shall supply its fixed charge rate to the Transmission Provider.
   4. The revenue requirements for the potential Balanced Portfolio shall equal the sum of the revenue requirements of the economic upgrades that comprise the potential Balanced Portfolio.
   5. The Transmission Provider shall estimate the cost for each Zone by allocating the revenue requirements for the potential Balanced Portfolio to each Zone based on its Region-wide Load Ratio Share forecasted over the ten year period analyzed.
   6. If any costs of an upgrade in the potential Balanced Portfolio will be borne by other funding mechanisms, such costs shall not be included in the determination of the net present value of the revenue requirements for the potential Balanced Portfolio.

d) The Transmission Provider shall determine for each Zone the net present value of the benefits of each potential Balanced Portfolio as follows:
   1. The benefits from each potential Balanced Portfolio shall be calculated as if all of the economic upgrades associated with the potential Balanced Portfolio are simultaneously available to the power system.
   2. The Transmission Provider shall use an adjusted production cost metric to analyze the benefits of the potential Balanced Portfolio, where adjusted production cost is the production cost minus revenues from sales plus cost of purchases. As described in Section IV.8 of this Attachment O, the Transmission Provider shall continue to evaluate and explore with the stakeholders any additional metrics and criteria which have quantifiable economic effects.
iii) The adjusted production cost benefit for each Zone shall equal the difference between the adjusted production cost with the potential Balanced Portfolio modeled and without the potential Balanced Portfolio modeled.

iv) The Transmission Provider shall estimate the annual benefits for each Zone over the same ten-year period as used to determine the costs by calculating the annual benefits for at least three specific years in the ten-year time period and interpolating the annual benefits for the remaining years.

e) A potential Balanced Portfolio shall meet the following conditions:
   i) Cost Beneficial: The sum of the benefits of the potential Balanced Portfolio determined in Section IV.6.d must equal or exceed the sum of the costs determined in Section IV.6.c; and
   ii) Balanced: For each Zone, the sum of the benefits of the potential Balanced Portfolio determined in Section IV.6.d must equal or exceed the sum of the costs determined in Section IV.6.c. Additionally, the balance may be achieved through the provisions set forth in Section IV.7.

7) Options for Achieving a Balanced Portfolio

   a) Section IV.7 of this Attachment O sets forth provisions to achieve a Balanced Portfolio when there are deficient Zones. A deficient Zone is a Zone where the costs allocated to the Zone in Section IV.6.c exceed the benefits allocated to the Zone in Section IV.6.d, including any additional costs or benefits derived from the application of the provisions in this Section IV.7.

   b) In order to achieve a Balanced Portfolio, the Transmission Provider may include transmission upgrades that do not adhere to the voltage requirements of Sections IV.6.b.i and ii of this Attachment O.

   c) If including the lower voltage transmission facilities does not achieve a Balanced Portfolio, the Transmission Provider may balance the portfolio by transferring a portion of the Base Plan Zonal Annual Transmission Revenue Requirement and/or the Zonal Annual Transmission Revenue Requirement from the deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement. Transmission Provider shall include the following constraints in this assessment:
      i) Limit the amount to be transferred from the Base Plan Zonal Annual Transmission Revenue Requirement and/or the Zonal Annual Transmission Revenue Requirement to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement to the minimum amount that will balance the portfolio over the ten-year period analyzed.
8) Development of Additional Benefit Metrics

a) Transmission Provider shall continue to evaluate and explore with the stakeholders via the transmission planning process any additional metrics and criteria which have quantifiable economic effects, such as:
   i) Reduction in system losses;
   ii) Differing environmental impacts;
   iii) Improvement to capacity margin and operating reserve requirements;
   iv) Energy, capacity and ancillary service market facilitation;
   v) Increased competition in wholesale markets;
   vi) Reliability enhancement, including storm hardening and black start capability; and
   vii) Critical infrastructure and homeland security.

b) Any subsequent adjustment to the metrics and criteria for evaluating potential Balanced Portfolios developed by the Transmission Provider, with input from the stakeholders, shall be proposed through Tariff amendments.
V. **Sponsored Upgrades**

Any entity may request that a **Sponsored Upgrade** be built. SPP will evaluate the impact of any **Sponsored Upgrade** on Transmission System reliability and identify any necessary mitigation of these impacts. Such entity must be willing to assume the cost of such **Sponsored Upgrade**, study costs, and any cost associated with such necessary mitigation. The proposed **Sponsored Upgrade** will be submitted to the proper stakeholder working group for their review as a part of the transmission planning process.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: December 14, 2007  Effective: December 14, 2007

VI. **The Annual Planning Process**

1) Overview of the Process

Following is a flow chart of the process to develop the **SPP Transmission Expansion Plan**, the annual planning cycle, and milestones in the cycle.

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**Issued by:** L. Patrick Bourne, Director  
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**Issued on:** December 14, 2007  
**Effective:** December 14, 2007

SPP Reliability and Economic Planning Process (12 months)

1st Quarter
- Local Area Planning Meeting

2nd Quarter
- Local Area Planning Meeting

3rd Quarter
- Local Area Planning Meeting

4th Quarter
- Local Area Planning Meeting

Finalize Scope
- SPP Planning Model Updates
- NERC TPL Reliability Assessment
- OASIS Posting
- Planning Summit
- Planning Summit Feedback
- Preliminary Solutions
- SPP Economic Assessment

OASIS Posting
- Planning Summit 100 kV and above
- Planning Summit Feedback
- OASIS Posting
- Planning Web Conference 69 kV
- Planning Summit Feedback
- OASIS Posting
- Reliability Report
- SPP BDD Approval

Budgeting and Scoping for Committed Years 1-4 & New/Revised Projects

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: December 14, 2007
Effective: December 14, 2007

2) Commencement of the Process

At the beginning of each annual planning cycle, the Transmission Provider shall initiate the stakeholder process to develop the annual SPP Transmission Expansion Plan. Notice of commencement of the process shall be posted on the SPP website and distributed via email distribution lists.

3) Preparation of the Reliability Assessment

   a) For each annual planning cycle, the Transmission Provider shall develop the assessment study scope with input from the stakeholders.
   b) The assessment study scope shall specify the methodology, criteria, assumptions, and data to be used to develop the list of proposed reliability upgrades.
   c) The Transmission Provider, in consultation with the stakeholder working groups, shall finalize the assessment study scope.
   d) The assessment study scope shall be posted on the SPP website and will be included in the published annual SPP Transmission Expansion Plan report.
   e) In accordance with the assessment study scope, the Transmission Provider shall prepare an assessment of the Transmission System on the basis of maintaining the reliability of the SPP Region and identifying economic opportunities to reduce congestion.
   f) The Transmission Provider shall present the reliability assessment to the stakeholder working groups and the planning summit.
   g) The Transmission Provider shall solicit feedback on the reliability assessment, including potential alternatives for improvements to the Transmission System, from the stakeholder working groups and through the stakeholders attending the various planning summits. The Transmission Provider will also include feedback from stakeholders through other meetings, teleconferences, web conferences and via email or secure web-based workspace.

4) Analysis of Transmission Alternatives to Address Needs Identified in the Reliability Assessment

   a) The Transmission Provider shall perform the required studies to analyze the potential alternatives for improvements to the Transmission System, provided by the Transmission Provider and by the stakeholders, in order to address the reliability and economics identified in the assessment.
   b) For all potential alternatives provided by the stakeholders, including reliability upgrades that Transmission Owners propose to address violations of company-specific planning criteria pursuant to Section III.5.b of this Attachment O, the Transmission Provider shall determine if there is a more comprehensive regional solution to address the reliability and economic needs identified in the assessment.
c) The Transmission Provider shall make a comprehensive presentation of the viable potential transmission solutions to the stakeholder working groups and at a planning summit meeting or web conference. The presentation shall include a discussion of the Transmission Provider and stakeholder alternatives considered and reasons for choosing the particular solutions.

d) The Transmission Provider shall solicit feedback on the solutions from the stakeholder working groups and through the stakeholders attending the various planning summits. The Transmission Provider will also include feedback from stakeholders through other meetings, teleconferences, web conferences and via email or secure web-based workspace.

e) In addition, the Transmission Provider shall review proposed transmission upgrades that reduce congestion or provide other economic benefits to the region. The screening analysis and inclusion of these potential upgrades shall be performed in accordance with Section IV of this Attachment O.

5) Development of the Recommended SPP Reliability Projects and Balanced Portfolios

a) Upon completion of the analysis, studies and stakeholder review and comment on the results in accordance with Sections III and IV of this Attachment O, the Transmission Provider shall prepare a draft list of all projects for review by the stakeholders. The Transmission Provider shall post the draft project list on the SPP website.

b) Upon posting of the draft project list, the Transmission Provider shall invite written comments to be submitted to the Transmission Provider.

c) The Transmission Provider shall review the draft project list with the stakeholder working groups and the Regional State Committee.

d) Considering the input from the stakeholders through this review process, the Transmission Provider shall prepare a recommended list of economic upgrades within proposed Balanced Portfolios and proposed reliability upgrades for review and approval.

6) Disclosure of the Proposed List of Economic Upgrades in Proposed Balanced Portfolios and Proposed Reliability Upgrades

a) The Transmission Provider shall disclose planning information, which includes the proposed list of upgrades and the underlying studies, by providing:

i) All stakeholders equal access, notice and opportunity to participate in planning summits, the stakeholder working group meetings and the sub-regional planning meetings as well as any associated web conferences or teleconferences as set forth in Section III of this Attachment O; and

ii) For the contemporaneous availability of such meeting handouts on the SPP website.

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Transmission and Regulatory Policy

Issued on: December 14, 2007 Effective: December 14, 2007

b) The related study results, criteria, assumptions and data underlying the studies used to develop the list of economic upgrades within proposed Balanced Portfolios and proposed reliability upgrades shall be posted on the SPP website, with password protected access if required to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement and to address CEII requirements. The CEII compliant redacted version of the SPP Transmission Expansion Plan shall be posted on the SPP website. The redacted version shall include instructions for acquiring the complete version of the SPP Transmission Expansion Plan.

VII. The SPP Transmission Expansion Plan

The SPP Transmission Expansion Plan shall be a comprehensive listing of all transmission projects in the SPP for the standard planning horizon. Projects included in the SPP Transmission Expansion Plan are: 1) upgrades required to satisfy requests for transmission service; 2) upgrades required to satisfy requests for generation interconnection; 3) approved reliability projects; 4) economic upgrades within an approved Balanced Portfolio; and 5) endorsed Sponsored Upgrades. A specific endorsed Sponsored Upgrade will be included in the Transmission System planning model upon execution of a contract that financially commits a Project Sponsor to such upgrade or when such upgrade is otherwise funded pursuant to the Tariff. To be included in the SPP Transmission Expansion Plan, each project must have been endorsed or approved through its proper process.

1) Approval and Endorsement Process

a) The Markets and Operations Policy Committee shall make a recommendation regarding the approval of reliability upgrades. Approval by the SPP Board of Directors is required for the inclusion of reliability upgrades in the SPP Transmission Expansion Plan.

b) The Markets and Operations Policy Committee shall make a recommendation regarding the inclusion of a proposed Balanced Portfolio in the SPP Transmission Expansion Plan. Approval by the SPP Board of Directors is required for inclusion of a Balanced Portfolio in the SPP Transmission Expansion Plan. SPP is not required to have a Balanced Portfolio each year.

c) The Markets and Operations Policy Committee shall make a recommendation regarding endorsement of a proposed Sponsored Upgrade. Endorsement by the SPP Board of Directors is required for the inclusion of a Sponsored Upgrade in the SPP Transmission Expansion Plan.
d) The list of projects shall be posted on the SPP website by the Transmission Provider. The Transmission Provider shall, in addition to the posting, e-mail notice of such posting to the stakeholders at least ten days prior to a meeting at which the SPP Board of Directors is expected to take action on accepting or modifying the list.

e) The list of approved reliability upgrades, economic upgrades within approved Balanced Portfolios, and endorsed Sponsored Upgrades may be modified throughout the year by the SPP Board of Directors provided that such action shall be posted and noticed pursuant to this section.
f) The SPP Transmission Expansion Plan shall be presented to the SPP Board of Directors at least once a year. Approval of the Balanced Portfolios and reliability upgrades and the endorsement of the other projects contained in the SPP Transmission Expansion Plan by the SPP Board of Directors shall certify a regional plan for meeting the transmission needs of the SPP Region.

2) Updates to the SPP Transmission Expansion Plan

a) Modifications to the SPP Transmission Expansion Plan may be made between the annual approvals as required to maintain system reliability and to meet new business opportunities as they are identified.

b) The Transmission Provider shall work with the stakeholders on an on-going basis throughout the year analyzing any newly identified issues and incorporating any necessary adjustments to the SPP Transmission Expansion Plan on an out of cycle basis.

c) On a quarterly basis, the Transmission Provider shall post any modifications to the SPP Transmission Expansion Plan on the SPP website.

d) The modifications shall be reviewed by the stakeholders and the Regional State Committee, endorsed by the stakeholder working groups, and approved or endorsed by the SPP Board of Directors, in accordance with Sections VI.5 and VII of this Attachment O, respectively.

3) Removal of an Upgrade from the SPP Transmission Expansion Plan

The Transmission Provider, in consultation with the stakeholders in accordance with Sections VI.5 and VII of this Attachment O, may remove an upgrade from an approved SPP Transmission Expansion Plan. A Transmission Owner that has incurred costs related to the removed upgrade will be reimbursed for any expenditure pursuant to Section VIII of Attachment J to the Tariff.

4) Status of Upgrades Identified in the SPP Transmission Expansion Plan

a) The Transmission Provider shall track the status of planned system upgrades to ensure that the projects are built in time or that acceptable mitigation plans are in place to meet customer and system needs.

b) On a quarterly basis, at a minimum, the Transmission Provider shall:
   i) Report to the Markets and Operations Policy Committee, the Regional State Committee and the SPP Board of Directors on the status of the upgrades identified in the SPP Transmission Expansion Plan; and
   ii) Post the status of the upgrades on the SPP website.
VIII. Construction of Transmission Facilities

1) The Transmission Provider shall not build or own transmission facilities. The Transmission Provider, with input from the Transmission Owners and other stakeholders, will designate in a timely manner within the SPP Transmission Expansion Plan one or more Transmission Owners to construct, own, and/or finance each project in the plan.

2) 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.

3) A specific endorsed Sponsored Upgrade in the SPP Transmission Expansion Plan will be deemed approved for construction upon execution of a contract that financially commits a Project Sponsor to such upgrade.

4) After a new transmission project is (i) approved for construction under the SPP Transmission Expansion Plan, (ii) required pursuant to a Service Agreement, or (iii) required pursuant to an interconnection agreement, the Transmission Provider will authorize the appropriate Transmission Owners to begin implementation of the project for which financial commitment is required prior to the approval of the next update of the SPP Transmission Expansion Plan. 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.

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

IX. Information Exchange

1) Data Requirements

a) Any entity that is subject to the NERC Reliability Standards is required to provide data to the Transmission Provider in accordance with the NERC Reliability Standards for Modeling, Data and Analysis (the “NERC MOD Standards”).

b) When an entity has developed a preliminary engineering concept for new facilities that impact the interconnected operation of the Transmission System, it shall contact the Transmission Provider so that the optimal integration of any new facilities and potentially benefiting parties can be identified.

c) In preparation for the annual update of transmission planning models for each annual planning cycle, Members, Transmission Customers, Transmission Owners, Generation Interconnection Customers and all other stakeholders must provide to the Transmission Provider the data specified in this Section IX.

d) During the course of the annual planning cycle, if material changes to the data occur, the data owners must provide timely written notice to the Transmission Provider.

e) The format required to submit modeling data shall be posted on the SPP website.

f) The modeling data shall be posted on the SPP website with password protected access.

2) Owners of transmission facilities shall provide to the Transmission Provider:

a) Modeling data for power flow, short-circuit and stability analysis;

b) Detailed power system models of their transmission systems and provide updates to their models via a password protected web based application;

c) Data regarding the design and operation of their transmission facilities;

d) Their FERC Form 715;

e) Their individual company-specific planning criteria;

f) Planning grade cost estimates and schedules for upgrades in the SPP Transmission Expansion Plan in a timely manner; and

g) Their five-year transmission construction plans.

3) Generator owners shall provide to the Transmission Provider:

a) Modeling data for power flow, short-circuit and stability analysis;

Issued by: L. Patrick Bourne, Director
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Issued on: December 14, 2007 Effective: December 14, 2007

b) Data for planned additions or upgrades, including status and expected in-service dates, planned retirements and environmental restrictions; and

c) Modeling data to perform economic planning studies in accordance with Section IV of this Attachment O. Data required to model generating units for the economic planning studies is documented in the Transmission Network Economic Modeling and Methods manual which shall be posted on the SPP website.

4) Transmission Customers

a) Network Customers shall provide the Transmission Provider an update of the information on its Network Integration Transmission Service application with a ten year forecast of summer and winter load at each delivery point and ten year projection of network resources and with any other information that has changed from the original application.

b) Point-to-point Transmission Customers shall provide to the Transmission Provider their good faith projections on their need for service including transmission capacity, duration and points of delivery and receipt over the ten year planning horizon.

c) Transmission Customers with existing and planned demand response resources shall provide information on such resources and their impacts on demand and peak demand.

5) Neighboring Transmission Providers and RTOs

In accordance with applicable agreements and Section X of this Attachment O, the Transmission Provider shall exchange with neighboring Transmission Providers and RTOs the data required for the development of power flow cases, short-circuit cases and stability cases over the ten year planning horizon.

6) Stakeholder Access to Transmission Planning Information

a) The planning information, data, and models provided pursuant to this Section IX shall be sufficient to allow parties to replicate results of the planning studies.

b) The Transmission Provider shall provide a secure web-based workspace for hosting and sharing planning information, data, and models.

c) The secure web-based workspace shall be password protected and require CEII clearance in accordance with Section IX.8 of this Attachment O.

d) Instructions to obtain access to the Transmission Provider’s power flow models shall be posted on the SPP website.

e) Instructions to obtain copies of the Transmission Provider’s transmission planning maps shall be posted on the SPP website.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: December 14, 2007 Effective: December 14, 2007

7) Confidentiality Requirements

a) The Transmission Provider shall make all reasonable efforts to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement.

b) For those entities that have executed a confidentiality agreement, the Transmission Provider shall provide password protected access to confidential information related to the SPP Transmission Expansion Plan and the underlying studies and models via the SPP website.

c) The form of confidentiality agreement shall be posted on the SPP website.

d) Resource specific data shall not be made available by the Transmission Provider if the data has been designated confidential by the data provider or if the data can be used to:
   i) Determine security constrained unit commitment or economic dispatch for resources; or
   ii) Perform an economic evaluation of costs and benefits.

e) Other transmission planning information shall be posted on the SPP website and may be password protected, as appropriate.

f) Confidentiality agreements shall be required for Members and Market Participants to receive data where the owner of the data has given permission to the Transmission Provider to release the data.

8) Critical Energy Infrastructure Information (CEII) Requirements

a) The Transmission Provider shall take appropriate steps to protect CEII information.

b) The Transmission Provider shall screen Members and Market Participants prior to providing access to CEII information. Individuals that do not belong to a confirmed pre-screened Member or Market Participant shall be directed to the Commission’s website for instructions for access to CEII information.

c) For those entities that have met the CEII requirements in Section IX.8.b of this Attachment O, the Transmission Provider shall provide password protected access to CEII information related to the SPP Transmission Expansion Plan and the underlying studies and models via the SPP website.

d) The Transmission Provider shall follow the guidelines set forth by the Commission to flag data which shall be treated as CEII sensitive.

X. Inter-regional Coordination

1) The Transmission Provider shall undertake to coordinate any studies required to assure the reliable, efficient, and effective operation of the Transmission System with, at a minimum, first-tier adjacent interconnected systems. Such coordination shall include:

Issued by: L. Patrick Bourne, Director
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Issued on: December 14, 2007 Effective: December 14, 2007

a) Sharing system plans to ensure that such plans are simultaneously feasible and otherwise use consistent assumptions and data; and
b) Identifying system enhancements that could relieve inter-regional congestion or integrate new resources on an aggregate basis.

2) The Transmission Provider shall undertake to coordinate any studies with other transmission providers primarily through participation in the agreements listed in Addendum 1 to this Attachment O.

3) On an annual basis, the Transmission Provider shall review the ongoing planning activities under the agreements specified in Addendum 1 to this Attachment O to determine the need for any additional inter-regional studies. The Transmission Provider shall share this review with the stakeholders at a planning summit and solicit input regarding additional inter-regional studies that should be initiated by the Transmission Provider.

XI. Recovering Costs Associated with the Planning Process

1) The Transmission Provider’s costs associated with the planning process and associated studies set forth in this Attachment O shall be recovered pursuant to Schedule 1-A of the Tariff.

2) The Transmission Provider’s costs associated with studies for potential Sponsored Upgrades shall be the responsibility of the entities requesting such studies.

3) The Transmission Provider’s costs for studies associated with requests for long-term firm transmission service shall be recovered pursuant to Sections 19 and 32 of the Tariff.

4) The Transmission Provider’s costs for studies associated with requests for interconnection service shall be recovered pursuant to Attachment V of the Tariff.

XII. Cost Allocation

The costs associated with new or upgraded transmission facilities shall be allocated in accordance with Attachment J to the Tariff.

XIII. Dispute Resolution

Any dispute regarding the planning process shall be resolved utilizing the procedures identical to those set forth in Section 12 of the Tariff.
ADDENDUM 1 TO ATTACHMENT O
INTER-REGIONAL COORDINATION AGREEMENTS

In accordance with Section X of Attachment O, the Transmission Provider shall undertake to coordinate any studies with other transmission providers primarily through participation in the agreements listed below:

1) The Joint Operating Agreement between the Midwest Independent Transmission System Operator, Inc. (MISO) and Southwest Power Pool, Inc. (SPP);
2) The Transmission Coordination Agreement between the Associated Electric Cooperative, Inc. (AECI) and the Southwest Power Pool, Inc. (SPP);
3) The United States Department of Energy Southwestern Power Administration Agreement Between United States of America and Southwest Power Pool, Inc. (the “SPA Agreement”);
4) The Eastern Interconnection Reliability Assessment Group; and
5) Bilateral agreements between the Transmission Provider and transmission systems to which the SPP Region is interconnected.

SPP shall continue its efforts to formalize and improve seams agreements with its neighbors and affected systems to facilitate inter-regional and interconnection wide transmission planning and expansion.
Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: December 14, 2007
Effective: December 14, 2007

Study of High Priority Potential Economic Upgrades

a) Using the results of the screening analysis as an input, the Transmission Provider, in consultation with the stakeholders, shall identify at least three high priority potential Economic Upgrades to be studied annually.

b) The Transmission Provider shall post the high priority potential Economic Upgrades to be studied on the SPP website.

c) The Transmission Provider shall perform the planning studies of the high priority potential Economic Upgrades in accordance with the Transmission Network Economic Modeling & Methods manual which shall be posted on the SPP website.

d) Each study shall include:
   i) Quantification of benefit to cost in accordance with the Transmission Network Economic Modeling and Methods manual; and
   ii) An analysis of the sensitivity of the economics of the project to changes in assumptions.

e) The Transmission Provider shall solicit input from the stakeholders and the Regional State Committee regarding the appropriate sensitivity analyses to be performed.

f) For each study the Transmission Provider shall publish a report, including but not limited to, the study input assumptions, the estimated cost of the project, the expected economic benefits of the project, and identify reliability impacts, if any, of the upgrade. The report and related studies and the criteria, assumptions and data underlying the report shall be posted on the SPP website, with password protected access if required to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement and to address Critical Energy Infrastructure Information (CEII) requirements. The CEII compliant redacted version of the report shall be posted on the SPP website. The redacted version shall include instructions for acquiring the complete version of the report.
Westar Energy, Inc. (Kansas Gas & Electric and Westar Energy)
Rate Sheet For Point-To-Point Transmission Service – DRAFT 06-27-08

These Point-To-Point charges shall be calculated using information from the rate formula set forth in Attachment H-1 of the Westar Open Access Transmission Tariff (Westar formula rate). The results of the formula calculation shall be posted on the SPP website and in an accessible location on Westar’s OASIS website by May 15 of each calendar year and shall be effective on June 1 of such year.

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 charge: the Zonal Annual Transmission Revenue Requirement as listed in Attachment H, Table 1, Column 3 of the Westar zone divided by the 12-CP divisor identified on page 1, line 13 of the Westar formula rate ($/kW/Yr).
2. Monthly delivery charge: the yearly delivery charge divided by 12 months ($/kW/Mo).
3. Weekly delivery charge: the yearly delivery charge divided by 52 weeks ($/kW/Wk).
4. Daily delivery charge: Peak: the weekly delivery charge divided by 5 days ($/kW/Day)
   Off Peak: the weekly delivery charge divided by 7 days ($/kW/Day)

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

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2007
Effective: June 1, 2008
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 charge: the yearly delivery charge for Firm Point-To-Point service specified above divided by 1-2 months ($/kW/Mo).
2. Weekly delivery charge: the yearly delivery charge for Firm Point-To-Point service specified above divided by 52 weeks ($/kW/Week).
3. Daily delivery charge: Peak: the weekly delivery charge divided by 5 days ($/kW/Day)
   Off Peak: the weekly delivery charge divided by 7 days ($/kW/Day).
4. Hourly delivery charge: Peak: the daily delivery charge divided by 16 hours ($/kW/Hr)
   Off Peak: the daily delivery charge divided by 24 hours ($/kW/Hr).

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.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: May 15, 2008 Effective: June 1, 2008
ATTACHMENT Z2 – DRAFT 06-27-08

REVENUE CREDITING FOR UPGRADES

I. Revenue Crediting

Transmission Customers paying Directly Assigned Upgrade Costs for Service Upgrades or that are in excess of the Safe Harbor Cost Limit for Network Upgrades associated with new or changed Designated Resources and Project Sponsors paying Directly Assigned Upgrade Costs for Sponsored Upgrades shall receive revenue credits in accordance with this Attachment Z2. Generation Interconnection Customers paying for Network Upgrades shall receive credits for new transmission service using the facility as specified in Attachment Z1. The credit amount shall be recovered, with interest calculated in accordance with 18 CFR §35.19a(a)(2)(ii), from new transmission service using the facility as defined below until the credit due is zero. The provisions of this Attachment Z2 are applicable to Transmission Owners subject to the provisions of Section 39.1 of this Tariff.

1. New Point-To-Point Transmission Service: Revenues from new Point-to-Point Transmission Service that could not be provided but for the new Network Upgrade will be included for crediting purposes. For each new point-to-point reservation that could not be provided but for the new Network Upgrade, made after (i) the commitment for such new Network Upgrade by a Project Sponsor or (ii) the request causing the need for such new Network Upgrade, with service commencing after or extending beyond the date the facility upgrade is completed, the Transmission Customer or Project Sponsor shall receive a portion of the transmission service charge equal to the positive response factor of such new reservation on the new Network Upgrade times the portion of the new reservation capacity that could not be provided but for the new Network Upgrade times the rate applicable to such new reservation.
For crediting purposes, the Transmission Provider shall perform a one-time calculation of the response factor of such new reservation on the new Network Upgrade. This allocation from new service shall continue until the Transmission Customer or Project Sponsor has been fully compensated for all charges paid in excess of the normally applicable transmission access charges pursuant to Schedules 7, 8 or 9 and 11.

2. **New Network Integration Transmission Service and Service to Transmission Owners Taking Service Under Non-Rate Terms and Conditions:** Credits will be provided for (i) new Long-Term Network Integration Transmission Service, and (ii) new transmission service taken under the non-rate terms and conditions of this Tariff by Transmission Owners subject to Section 39.1 of this Tariff, that could not be provided but for the new Network Upgrade to accommodate designation of new Network Loads or Transmission Owner’s(s’) loads, new Designated Resources or increases in the designation of existing Designated Resources above previously designated levels. Credits shall be determined based upon the subsequent incremental use of the Network Upgrade for such new or increased Network Load or Transmission Owner load or Network Resource.
The annual credit amount to be billed and paid monthly by a Network Customer, or included in rates, for each such new or increased use shall be the product of the annual revenue requirement associated with the Network Upgrade and the ratio of the incremental impact placed on the Network Upgrade by each such new or increased use to the total of the incremental impacts placed on the Network Upgrade by all currently and previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses of the Network Upgrade. For the calculation of such credits to be given to a Project Sponsor paying Directly Assigned Upgrade Costs associated with the Network Upgrade, the incremental use assigned to such Project Sponsor shall be the capacity of the Network Upgrade minus all currently and previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses. The cost of such credit amount shall be paid by the Network Customer making such new or increased use of the Network Upgrade, or included in rates pursuant to the Base Plan and Balanced Portfolio funding formulas in Attachment J, in addition to all other applicable charges under this Tariff.

a. For use of Service Upgrades, such credits shall be given to the original Transmission Customer paying Directly Assigned Upgrade Costs for the Service Upgrade and to all previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses, including prior incremental Network Integration Transmission Service uses that resulted in the obligation to pay credits. The grant of such credits shall be in proportion to the fraction of the annual revenue requirement associated with the Network Upgrade for which they are responsible, net of any credits previously applied.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2008  Effective: May 27, 2008
b. For use of Sponsored Upgrades, such credits to a Project Sponsor paying Directly Assigned Upgrade Costs for a Sponsored Upgrade shall be given first to the Project Sponsor from new transmission service using the Sponsored Upgrade until the credit due to the Project Sponsor for that Sponsored Upgrade is zero. Then such credits shall be given to all previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses, including prior incremental Network Integration Transmission Service uses that resulted in the obligation to pay credits. The grant of such credits shall be in proportion to the fraction of the annual revenue requirement associated with the Network Upgrade for which they are responsible, net of any credits previously applied.

3. **Power Controlling Devices:**

   a. **New Network Integration Transmission Service:** Credits will be provided for new Long-Term Network Integration Transmission Service using the device in either direction to accommodate designation of new Network Loads, new Designated Resources or increases in the designation of existing Designated Resources above previously designated levels. Credits shall be determined based upon the subsequent additional incremental use of the device by any such new or increased use.

   The annual credit amount to be billed and paid monthly by a Network Customer, or included in rates, for each such new or increased use shall be the product of the annual revenue requirement associated with the device and the ratio of the incremental impact placed on the device by each such new or increased use to the total of the incremental impacts placed on the device by all currently and previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses of the device in both directions. For the calculation of such credits to be given to a Project Sponsor
paying Directly Assigned Upgrade Costs associated with the device, the incremental use assigned to such Project Sponsor shall be the capacity of the device in both directions minus all currently and previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses of the device in both directions. The cost of such credit amount shall be paid by the Network Customer making such new or increased use of the device, or included in rates pursuant to the Base Plan and Balanced Portfolio funding formulas in Attachment J, in addition to all other applicable charges under this Tariff.

i. For use of Service Upgrades, such credits shall be given to the original Transmission Customer paying Directly Assigned Upgrade Costs for the Service Upgrade and to all previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses, including prior incremental Network Integration Transmission Service uses that resulted in the obligation to pay credits. The grant of such credits shall be in proportion to the fraction of the annual revenue requirement associated with the Network Upgrade for which they are responsible, net of any credits previously applied.

ii. For use of Sponsored Upgrades, such credits to a Project Sponsor paying Directly Assigned Upgrade Costs for a Sponsored Upgrade shall be given first to the Project Sponsor from new transmission service using the Sponsored Upgrade until the credit due the Project Sponsor for that Sponsored Upgrade is zero. Then such credits shall be given to all previously identified incremental Network Integration Transmission Service and Long-Term Firm Point-To-Point Transmission Service uses, including prior incremental Network Integration Transmission Service uses that resulted in the obligation to pay credits. The grant of such
credits shall be in proportion to the fraction of the annual revenue requirement associated with the Network Upgrade for which they are responsible, net of any credits previously applied.

b. **New Point-to-Point Transmission Service**: Crediting for Long-Term Firm Point-to-Point Transmission Service using the power controlling device in either direction shall be a portion of the transmission service charge equal to the positive response factor of such new reservation on the device times the new reservation capacity times the rate applicable to such new reservation less any revenue credits applicable to other Network Upgrades on the transmission path. Crediting for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service using the device in either direction shall be the percent usage of the total revenue received by the Transmission Provider that is not required for other transmission funding obligations.

II. **Future Roll-In**

When a facility upgrade being paid for pursuant to the provisions of Attachment Z1 to this Tariff is rolled into the revenue requirements used for the development of generally applicable transmission service rates, the Transmission Owner that constructed the facility upgrade shall pay the remaining balance of each customer’s unrecovered payments described in Sections VI.A and VI.B of Attachment Z1 that are applicable to that facility upgrade. All customers who have upgraded facilities and have remaining balances subject to cost recovery pursuant to Section VI of Attachment Z1, shall be paid in full. The customer shall continue to pay the charges specified in the customer’s transmission service agreement for the transmission service initially reserved.
SCHEDULE 7 – DRAFT 06-27-08

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:** American Electric Power – West
- **Zone 2:** Cleco Corporation
- **Zone 3:** City Utilities of Springfield, Missouri
Zone 4: Empire District Electric Company
Zone 5: Grand River Dam Authority
Zone 6: Kansas City Power & Light Company
Zone 7: Oklahoma Gas & Electric Company
Zone 8: Midwest Energy, Inc.
Zone 9: Aquila Networks-MPS/L&P
Zone 10: Southwestern Power Administration
Zone 11: Southwestern Public Service
Zone 12: Sunflower Electric Cooperative
Zone 13: Western Farmers Electric Cooperative
Zone 14: Westar Energy, Inc. (Kansas Gas & Electric and Westar Energy)
Zone 15: Mid-Kansas Electric Company

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. **a. Direct Assignment Costs:** Where a 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.

**b. Directly Assigned Upgrade Costs:** Where a Facilities Study indicates the need to construct Network Upgrades to accommodate a request for Transmission Service, the Transmission Customer may be allocated Directly Assigned Upgrade Costs in accordance with Attachments J and Z1. Any such charge will be filed with the Commission. The Transmission Customer shall be charged the higher of (i) the charges specified in Schedules 7 and 11, or (ii) the Directly Assigned Upgrade Costs. The Transmission Customer shall also be charged any other applicable charges under the Tariff. If the Transmission Customer is charged the Directly Assigned Upgrade Costs, upon completion of construction of such assigned upgrades, the Transmission Provider shall reconcile the Directly Assigned Upgrade Costs against the actual construction costs. Based on the reconciliation, the Transmission Customer’s cost responsibility shall be adjusted as appropriate.

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.

7. **Base Plan Zonal Charges and Region-wide Charges:** The Transmission Customer shall pay all charges assessed pursuant to Schedule 11 to the extent the revenue from such charges is not recovered by the Transmission Provider from the Transmission Customer pursuant to Section 5.b. of this Schedule.

8. **Resales:** The rates and rules governing charges and discounts stated above shall

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: June 25, 2008
Effective: May 27, 2008
not apply to resales of transmission service, compensation for which shall be governed by
section 23.1 of the Tariff.
SCHEDULE 8 – DRAFT 06-27-08

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: American Electric Power – West
Zone 2: Cleco Corporation
Zone 3: City Utilities of Springfield, Missouri
Zone 4: Empire District Electric Company
Zone 5: Grand River Dam Authority
Zone 6: Kansas City Power & Light Company
Zone 7: Oklahoma Gas & Electric Company
Zone 8: Midwest Energy, Inc.
Zone 9: Aquila Networks-MPS/L&P
Zone 10: Southwestern Power Administration
Zone 11: Southwestern Public Service
Zone 12: Sunflower Electric Cooperative
Zone 13: Western Farmers Electric Cooperative
Zone 14: Westar Energy, Inc. (Kansas Gas & Electric and Westar Energy)
Zone 15: Mid-Kansas Electric Company

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.

4(a) **Next-Hour-Market Service:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the applicable charges posted on OASIS. In the event that transmission service is curtailed or interrupted by the Transmission Provider, either acting directly or indirectly at the request of another transmission provider or a Security Coordinator, the Transmission Customer shall be charged only for that portion of the hour of actual transmission service used. The pro-rata portion must be agreed upon between the transmission provider and the transmission customer.
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.

7. **Base Plan Zonal Charges and Region-wide Charges:** The Transmission Customer shall pay all charges assessed pursuant to Schedule 11.

8. **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.
SCHEDULE 9 – DRAFT 06-27-08

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 applicable monthly zonal Demand Charge, determined in accordance with Section 34.1. 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. 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 Zonal Annual Transmission Revenue Requirement of each Zone is stated in Attachment H.

Notwithstanding anything to the contrary in this Tariff, a Transmission Owner taking Network Integration Transmission Service may elect not to pay (in whole or in part) the monthly demand charges specified in the preceding paragraph to the extent that the Transmission Owner would have received under Attachment L (revenue distribution) the amounts it seeks to not pay under this provision. A Transmission Owner electing this option shall remain obligated to pay any applicable charges for transmission services using any other Transmission Owner’s facilities unless the transmission is provided pursuant to a Grandfathered Agreement (in which case compensation provisions under the Grandfathered Agreement control). A Transmission Owner electing this option shall remain responsible for any credits pursuant to Section 30.9 and for all other applicable charges under this Tariff. This election will only be effective through January 31, 2010.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2008
Effective: May 27, 2008
The Zones are as follows:

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

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. **a.) Direct Assignment Costs:** Where a 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.

**b.) Directly Assigned Upgrade Costs:** Where a Facilities Study indicates the need to construct Network Upgrades to accommodate a request for Transmission Service, the Transmission Customer may be allocated Directly Assigned Upgrade Costs in accordance with Attachments J and Z1. Any such charge will be filed with the Commission. The Transmission Customer shall be charged the Directly Assigned Upgrade Costs in addition to the charges specified in this Schedule and any other applicable charges under this Tariff. If the Transmission Customer is charged the Directly Assigned Upgrade Costs, upon completion of construction of such assigned upgrades, the Transmission Provider shall reconcile the Directly Assigned Upgrade Costs against the actual construction costs. Based on the reconciliation, the Transmission Customer's cost responsibility shall be adjusted as appropriate.

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.

6. **Base Plan Zonal Charges and Region-wide Charges:** The Transmission Customer shall pay all charges assessed pursuant to Schedule 11.
SCHEDULE 11 – DRAFT 06-27-08
Base Plan Zonal Charge and Region-wide Charge

I. Introduction

Pursuant to Part V of this Tariff, Base Plan Zonal Charges and Region-wide Charges shall be assessed based on the Resident Load. Likewise, Base Plan Zonal Charges and Region-wide Charges shall be assessed based on Reserved Capacity of each Transmission Customer taking Point-to-Point Transmission Service under this Tariff.

The charges stated in Schedule 11 shall not be changed absent a filing with the Commission.

II. Base Plan Zonal Charges and Region-wide Charges to Resident Load

A. Base Plan Zonal Charge to Resident Load

The Network Customer and the Transmission Owner shall pay a monthly Base Plan Zonal Charge, which shall be determined by multiplying its Base Plan Zonal Load Ratio Share times one twelfth (1/12) of the Base Plan Zonal Annual Transmission Revenue Requirement specified in Attachment H for each Zone in which the Network Customer’s or Transmission Owner’s Resident Load is physically located. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, Network Customer shall pay a monthly Zonal Base Plan Charge, which shall be determined by multiplying its Base Plan Zonal Load Ratio Share times one twelfth (1/12) of the Base Plan Zonal Annual Transmission Revenue Requirement specified in Attachment H for the Zone that is the basis for charges under Schedule 11.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007 Effective: February 1, 2007

1. Determination of Network Customer's and Transmission Owner’s Monthly Zonal Resident Load

The Network Customer's or Transmission Owner’s monthly zonal Resident Load is its integrated hourly load coincident with the monthly peak of the Zone where the Resident Load is physically located. Where a Network Customer or Transmission Owner has Resident Load in more than one Zone, the monthly Resident 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 Resident Load will be its hourly load coincident with the monthly peak of the Zone that is the basis for charges under Schedule 11.

2. Determination of Transmission Provider’s Monthly Zone Transmission Load

The Transmission Provider's monthly Transmission System load shall be determined in accordance with Section 34.3 of this Tariff.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007                     Effective: February 1, 2007

B. **Region-wide Charge to Resident Load**

Network Customers and Transmission Owners shall pay a monthly Region-wide Charge, which shall be determined by multiplying its Region-wide Load Ratio Share times one twelfth \((1/12)\) of the Region-wide Annual Transmission Revenue Requirement specified in Attachment H.

1. **Determination of Network Customer's and Transmission Owner's Monthly Regional Resident Load**

The Network Customer's or Transmission Owner’s monthly regional Resident Load is the sum of its monthly zonal Resident Load for each Zone, where the monthly zonal Resident Load is determined separately for each Zone coincident with the monthly peak of the Zone in accordance with Section II.A.1.

2. **Determination of Transmission Provider's Monthly Regional Transmission Load**

The Transmission Provider's monthly regional Transmission System load is the sum of the monthly Zone transmission load for each Zone, where the monthly zone transmission load for each Zone is determined on a non-coincident basis in accordance with Section II.A.2.
III. Base Plan Zonal Charge and Region-wide Charge for Point-to-Point Transmission Service

A. Base Plan Zonal Charge for Point-to-Point Transmission Service

The Base Plan Zonal Charge shall be assessed to Transmission Customers taking Firm or Non-Firm Point-to-Point Transmission Service under the SPP Tariff. The Transmission Customer shall pay the Base Plan Zonal Rate (per kW of Reserved Capacity) based upon the Zone where the load is located for 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 Point-to-Point Transmission Service where both the generation source and the load are located within the SPP Region. For 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 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 Base Plan 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 Base Plan Zonal Rate of the interconnected Zones is applicable. The Base Plan Zonal Rates shall be calculated in accordance with Section III.D.
B. **Region-wide Charge for Point-to-Point Transmission Service**

The Region-wide Charge shall be assessed to Transmission Customers taking Firm or Non-Firm Point-to-Point Transmission Service under the SPP Tariff. The Transmission Customer shall pay the Region-wide Rate (per kW of Reserved Capacity) for Point-to-Point Transmission Service. The Region-wide Rate shall be calculated in accordance with Section III.C.

C. **Region-wide Rate for Point-to-Point Transmission Service**

1. **Determination of Annual Region-wide Rate**

The Region-wide Annual Transmission Revenue Requirement specified in Attachment H is the basis for the Region-wide Rate. The annual Region-wide Rate for Firm Point-to-Point Transmission Service shall be determined in accordance with the following formula:

\[ RR = \frac{RATRR}{MRTL} \]

in which

- \( RR \) = the annual Region-wide Rate
- \( RATRR \) = the Region-wide Annual Transmission Revenue Requirement as specified in Attachment H
- \( MRTL \) = the average of the sum of the monthly regional Transmission System load for the twelve months of the calendar year on which the rate is based. The monthly regional Transmission System load is determined in accordance with Section II.B.2.
2. **Region-wide Rate for Firm Point-to-Point Transmission Service**

The **Region-wide Rate for Firm Point-to-Point Transmission Service** shall be:

- **Per month** = annual Region-wide Rate divided by 12;
- **Per week** = annual Region-wide Rate divided by 52;
- **Per day “on peak”** = the “per week” Region-wide Rate divided by 5; provided that the rate for 5 to 7 consecutive days may not exceed the “per week” Region-wide Rate; and
- **Per day “off peak”** = the “per week” Region-wide Rate divided by 7.

3. **Region-wide Rate for Non-Firm Point-to-Point Transmission Service**

The **Region-wide Rate for Non-Firm Point-to-Point Transmission Service** shall be:

- **Per month** = annual Region-wide Rate divided by 12;
- **Per week** = annual Region-wide Rate divided by 52;
- **Per day “on peak”** = the “per month” Region-wide Rate multiplied by 12 then divided by 260;
- **Per day “off peak”** = the “per month” Region-wide Rate multiplied by 12 then divided by 365;
Per hour “on peak” = the “per month” Region-wide Rate multiplied by 12 then divided by 4160; and
Per hour “off peak” = the “per month” Region-wide Rate multiplied by 12 then divided by 8760.

4. **Total Region-wide Charge**

The total Region-wide Charge paid by a Transmission Customer pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total Region-wide Charge in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Region-wide Rate specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

**D. Base Plan Zonal Rates for Point-to-Point Transmission Service**

1. **Determination of Annual Base Plan Zonal Rate**

The Base Plan Zonal Annual Transmission Revenue Requirements specified in Attachment H are the basis for the Base Plan Zonal Rates. The annual Base Plan Zonal Rates for Firm Point-to-Point Transmission Service shall be determined in accordance with the following formula for each Zone.

$$BPZR = \frac{BPZATRR}{MZTL}$$

in which

- $BPZR$ = the annual Base Plan Zonal Rate for the Zone
- $BPZATRR$ = the Base Plan Zonal Annual Transmission Revenue Requirement for the Zone as specified in Attachment H
- $MZTL$ = the average of the sum of the monthly zone transmission load for the Zone for the twelve months of the calendar year on which the rate is based. The monthly zone transmission load is determined in accordance with Section II.A.2.

Issued by: L. Patrick Bourne, Director  
Transmission and Regulatory Policy

Issued on: April 2, 2007  
Effective: February 1, 2007

2. **Base Plan Zonal Rate for Firm Point-to-Point Transmission Service**

   The Base Plan Zonal Rate for Firm Point-to-Point Transmission Service for each Zone shall be:
   
   - **Per month** = \( \frac{\text{annual Base Plan Zonal Rate for the Zone}}{12} \);
   - **Per week** = \( \frac{\text{annual Base Plan Zonal Rate for the Zone}}{52} \);
   - **Per day “on peak”** = \( \frac{\text{“per week” Base Plan Zonal Rate for the Zone divided by 5; provided that the rate for 5 to 7 consecutive days may not exceed the “per week” Base Plan Zonal Rate}}{5} \);
   - **Per day “off peak”** = \( \frac{\text{“per week” Base Plan Zonal Rate for the Zone divided by 7}}{7} \).

3. **Base Plan Zonal Rate for Non-Firm Point-to-Point Transmission Service**

   The Base Plan Zonal Rate for Non-Firm Point-to-Point Transmission Service for each Zone shall be:
   
   - **Per month** = \( \frac{\text{annual Base Plan Zonal Rate for the Zone}}{12} \);
   - **Per week** = \( \frac{\text{annual Base Plan Zonal Rate for the Zone}}{52} \);
   - **Per day “on peak”** = \( \frac{\text{“per month” Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 260}}{260} \);
   - **Per day “off peak”** = \( \frac{\text{“per month” Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 365}}{365} \);
   - **Per hour “on peak”** = \( \frac{\text{“per month” Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 4160}}{4160} \); and
   - **Per hour “off peak”** = \( \frac{\text{“per month” Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 8760}}{8760} \).
4. **Total Zonal Base Plan Charge**

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

E. **On-Peak and Off-Peak**

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Addendum 1 to Schedule 11
Rate Sheet for Region-Wide 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 Rate: $30.0047/MW of Reserved Capacity per year.
3. Weekly Rate: $0.5770/MW of Reserved Capacity per week.
4. Daily Rate:
   On-Peak: $0.1154/MW of Reserved Capacity per day.
   Off-Peak: $0.0824/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 Rate: $2.5004/MW of Reserved Capacity per month.
2. Weekly Rate: $0.5770/MW of Reserved Capacity per week.
3. Daily Rate:
   On-Peak: $0.1154/MW of Reserved Capacity per day.
   Off-Peak: $0.0822/MW of Reserved Capacity per day.
4. Hourly Rate:
   On-Peak: $0.0072/MW of Reserved Capacity per hour.
   Off-Peak: $0.0034/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy
Issued on: July 31, 2007
Effective: September 30, 2007
Total Region-wide Charge

The total Region-wide Charge paid by a Transmission Customer pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total Region-wide Charge in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Region-wide Rate specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Addendum 2 to Schedule 11

Rate Sheets for Base Plan Zonal Point-to-Point Transmission Service

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007
Effective: September 30, 2007
Mid-Kansas Electric Company Zone

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 Rate: $67.9755/MW of Reserved Capacity per year.
2. Monthly Rate: $5.6646/MW of Reserved Capacity per month.
3. Weekly Rate: $1.3072/MW of Reserved Capacity per week.
4. Daily Rate:
   - On-Peak: $0.2614/MW of Reserved Capacity per day.
   - Off-Peak: $0.1867/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 Rate: $5.6646/MW of Reserved Capacity per month.
2. Weekly Rate: $1.3072/MW of Reserved Capacity per week.
3. Daily Rate:
   - On-Peak: $0.2614/MW of Reserved Capacity per day.
   - Off-Peak: $0.1862/MW of Reserved Capacity per day.
4. Hourly Rate:
   - On-Peak: $0.0163/MW of Reserved Capacity per hour.
   - Off-Peak: $0.0078/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007
Effective: September 30, 2007
Total Zonal Base Plan Charge

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Kansas City Power & Light Company Zone

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 Rate: $18.6422/MW of Reserved Capacity per year.
3. Weekly Rate: $0.3585/MW of Reserved Capacity per week.
4. Daily Rate:
   - On-Peak: $0.0717/MW of Reserved Capacity per day.
   - Off-Peak: $0.0512/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 Rate: $1.5535/MW of Reserved Capacity per month.
2. Weekly Rate: $0.3585/MW of Reserved Capacity per week.
3. Daily Rate:
   - On-Peak: $0.0717/MW of Reserved Capacity per day.
   - Off-Peak: $0.0511/MW of Reserved Capacity per day.
4. Hourly Rate:
   - On-Peak: $0.0045/MW of Reserved Capacity per hour.
   - Off-Peak: $0.0021/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007 Effective: September 30, 2007
Total Zonal Base Plan Charge

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Oklahoma Gas & Electric Zone

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 Rate: $0.4031/MW of Reserved Capacity per year.
2. Monthly Rate: $0.0336/MW of Reserved Capacity per month.
3. Weekly Rate: $0.0078/MW of Reserved Capacity per week.
4. Daily Rate:
   - On-Peak: $0.0016/MW of Reserved Capacity per day.
   - Off-Peak: $0.0011/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 Rate: $0.0336/MW of Reserved Capacity per month.
2. Weekly Rate: $0.0078/MW of Reserved Capacity per week.
3. Daily Rate:
   - On-Peak: $0.0016/MW of Reserved Capacity per day.
   - Off-Peak: $0.0011/MW of Reserved Capacity per day.
4. Hourly Rate:
   - On-Peak: $0.0001/MW of Reserved Capacity per hour.
   - Off-Peak: $0.00005/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007 Effective: September 30, 2007
Total Zonal Base Plan Charge

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Southwestern Public Service Zone

**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 Rate: $0.1682/MW of Reserved Capacity per year.
2. Monthly Rate: $0.0140/MW of Reserved Capacity per month.
3. Weekly Rate: $0.0006/MW of Reserved Capacity per week.
4. Daily Rate:
   - On-Peak: $0.0006/MW of Reserved Capacity per day.
   - Off-Peak: $0.0005/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 Rate: $0.0140/MW of Reserved Capacity per month.
2. Weekly Rate: $0.0032/MW of Reserved Capacity per week.
3. Daily Rate:
   - On-Peak: $0.0006/MW of Reserved Capacity per day.
   - Off-Peak: $0.0005/MW of Reserved Capacity per day.
4. Hourly Rate:
   - On-Peak: $0.00004/MW of Reserved Capacity per hour.
   - Off-Peak: $0.00002/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007  Effective: September 30, 2007
Total Zonal Base Plan Charge

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Sunflower Electric Corporation Zone

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 Rate: $65.5714/MW of Reserved Capacity per year.
2. Monthly Rate: $5.4643/MW of Reserved Capacity per month.
3. Weekly Rate: $1.2610/MW of Reserved Capacity per week.
4. Daily Rate:
   - On-Peak: $0.2522/MW of Reserved Capacity per day.
   - Off-Peak: $0.1801/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 Rate: $5.4643/MW of Reserved Capacity per month.
2. Weekly Rate: $1.2610/MW of Reserved Capacity per week.
3. Daily Rate:
   - On-Peak: $0.2522/MW of Reserved Capacity per day.
   - Off-Peak: $0.1796/MW of Reserved Capacity per day.
4. Hourly Rate:
   - On-Peak: $0.0158/MW of Reserved Capacity per hour.
   - Off-Peak: $0.0075/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007                  Effective: September 30, 2007
Total Zonal Base Plan Charge

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
Westar Energy, Inc. Zone

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 Rate: $425.5186/MW of Reserved Capacity per year.
3. Weekly Rate: $8.1831/MW of Reserved Capacity per week.
4. Daily Rate:
   - On-Peak: $1.16366/MW of Reserved Capacity per day.
   - Off-Peak: $1.1690/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 Rate: $35.4599/MW of Reserved Capacity per month.
2. Weekly Rate: $8.1831/MW of Reserved Capacity per week.
3. Daily Rate:
   - On-Peak: $1.6366/MW of Reserved Capacity per day.
   - Off-Peak: $1.1658/MW of Reserved Capacity per day.
4. Hourly Rate:
   - On-Peak: $0.1023/MW of Reserved Capacity per hour.
   - Off-Peak: $0.0486/MW of Reserved Capacity per hour.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: July 31, 2007  Effective: September 30, 2007
Total Zonal Base Plan Charge

The total zonal charge paid by a Transmission Customer for each Zone pursuant to a reservation for hourly delivery shall not exceed the above on-peak daily rate multiplied by the highest amount of Reserved Capacity in any hour during such day. The total zonal charge for each Zone in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the above Base Plan Zonal Rate for the Zone specified for weekly delivery multiplied by the highest amount of Reserved Capacity in any hour during such week.

On-Peak and Off-Peak

Off-Peak days shall be Saturdays and Sundays and all NERC holidays. All other days shall be On-Peak. All hours during Off-Peak days shall be Off-Peak. On-Peak hours during On-Peak days shall be all hours from HE 0700 through HE 2200 Central Prevailing Time. All other hours during On-Peak days shall be Off-Peak.
I. COMMON SERVICE PROVISIONS – DRAFT 06-27-08

1 Definitions

1.1 Affiliate: With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.1a Aggregate Transmission Service Study: Transmission system impact and facilities studies as described in Attachment Z1 that aggregate Transmission Service requests received over a 120-day period. These requests are evaluated simultaneously to provide for optimization of transmission expansion.

1.1b 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.

1.3a Attachment Facilities: Facilities that serve to interconnect a generating unit with a Transmission Owner’s transmission facilities.

1.3b Avoided Revenue Requirement: The revenue requirement associated with previously approved Base Plan Upgrades, Balanced Portfolios, Zonal Reliability Upgrades or Service Upgrades that have been deferred or displaced due to a subsequently identified transmission upgrade.

1.3c Balanced Portfolio: A set of transmission upgrades that provide economic benefits across the SPP Region that meet the requirements in Sections IV.6 and IV.7 of Attachment O.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: March 28, 2008 Effective: May 27, 2008
1.3d **Balanced Portfolio Region-wide Annual Transmission Revenue Requirement:** The annual transmission revenue requirement for an approved Balanced Portfolio determined in accordance with Attachment J to this Tariff.

1.3e **Balancing Authority:** The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
1.3f Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.3g Base Plan Region-wide Annual Transmission Revenue Requirement: The sum of the annual transmission revenue requirement for each Base Plan Upgrade and of the Avoided Revenue Requirement(s), if any, that are allocated to the SPP Region in accordance with Attachment J to this Tariff.
1.3h Base Plan Upgrades: Those upgrades included in and constructed pursuant to the SPP Transmission Expansion Plan in order to ensure the reliability of the Transmission System. Base Plan Upgrades shall also include those Service Upgrades required for new or changed Designated Resources to the extent allowed for in Attachment J to this Tariff. All such upgrades shall specifically exclude planned Transmission System facilities identified in the SPP Transmission Expansion Plan that are: (i) placed in service during the 2005 calendar year or (ii) required to be in service to meet the SPP Criteria and the NERC Reliability Standards for the summer of 2005.

1.3i Base Plan Zonal Annual Transmission Revenue Requirement: For each Zone, the sum of the annual transmission revenue requirement for each Base Plan Upgrade and of the Avoided Revenue Requirement(s), if any, that are allocated to the Zone in accordance with Attachments J and S to this Tariff.

1.3j Base Plan Zonal Charge: Zonal component of the charge assessed by the Transmission Provider in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.3k Base Plan Zonal Load Ratio Share: Ratio of a Network Customer’s or Transmission Owner’s Resident Load in a Zone to the total load in that Zone computed in accordance with Section II.A. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.
1.3[1] **Base Plan Zonal Rate:** Zonal component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by the Transmission Provider, in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

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 a Credit Application and any required Financial Security.

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.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: May 30, 2007
Effective: February 1, 2007

1.6a **Credit Policy:** The Credit Policy set forth in Attachment X to the Tariff.

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.

1.9a **Designated Resource:** Any designated generation resource owned, purchased or leased by a Transmission Customer to serve load in the SPP Region. Designated 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 Transmission Customer's load on a non-interruptible basis.

1.9b **Directly Assigned Upgrade Costs:** An Eligible Customer’s share of the cost of a Service Upgrade or a Project Sponsor’s share of the cost of a Sponsored Upgrade, determined in accordance with Attachments J and Z1, including: (i) any costs directly assigned to an Eligible Customer for a Service Upgrade in excess of the normally applicable transmission access charges for the associated transmission service; (ii) any costs directly assigned to a Project Sponsor for a Sponsored Upgrade that are in excess of the Safe Harbor Cost Limit for Service Upgrades associated with new or changed Designated Resource; and (iii) any costs directly assigned to a Project Sponsor for a Sponsored Upgrade.

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 or a particular Generation Interconnection Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreements that govern service to the Transmission Customer(s) and Generation Interconnection Customer(s) and shall be subject to Commission approval.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: June 25, 2008  Effective: May 27, 2008
1.10b **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.

1.10c **EIS Market:** The Energy Imbalance Service market as described in Attachment AE to this Tariff.

1.10d **EIS Market Effective Date:** The date on which the EIS Market begins commercial operations.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007
Effective: February 1, 2007

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 or eligible person 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.

1.11a **Emergency Condition:** A condition or situation determined by the Transmission Provider that is imminently likely to cause a material adverse effect on the security of, or damage to the Transmission System.
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 or Generation Interconnection 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 Feasibility Study: A coordinated preliminary determination by the Transmission Provider and the affected Transmission Owner(s) of the Attachment Facilities, other Direct Assignment Facilities, and system upgrades that are needed to accept power into the grid at the interconnection receipt point, that will be necessary to accommodate a Generation Interconnection Request made under Attachment V.

1.12b 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.

1.13a Generation Interconnection Customer: An entity that submits a Generation Interconnection Request under Attachment V.

1.13b Generation Interconnection Request: A request made under Attachment V to connect a generating unit to the Transmission System or to increase the capacity of a generating unit that is connected to the Transmission System.

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, including those practices required by Federal Power Act section 215(a)(4).

1.14a **Grandfathered Agreements or Transactions:** Grandfathered Agreements or Transactions include (1) agreements providing long term firm transmission service executed prior to April 1, 1999 and Network Integration Transmission Service executed prior to February 1, 2000; (2) bundled wholesale contracts (that reserve transmission as part of the contract); (3) 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. These agreements are set forth on the list which is Attachment W to this Tariff. 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, for the prior calendar year.

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.

1.18b Market Participant: An entity that generates, transmits, distributes, purchases, or sells electricity or provides ancillary services with respect to such services (or contracts to perform any of the foregoing activities) within, into, out of, or through the Transmission System. Market Participant expressly includes:

(a) Transmission Owner(s) and any of their affiliates including Transmission Owners providing transmission service to: (i) bundled retail load for which such Transmission Owners are taking neither Network Integration Transmission Service nor Firm Point-to-Point Transmission Service under this Tariff; and (ii) load being served under Grandfathered Agreements for which such Transmission Owners are taking neither Network Integration Transmission Service nor Firm Point-to-Point Transmission Service under this Tariff,
(b) Transmission Customers, (c) Network Customers, (d) Generation Interconnection Customers and (e) any Eligible Customer offering Resources for sale into the EIS Market that executes the Service Agreement specified in Attachment AH. In order to be a Market Participant, the Eligible Customer must be a Transmission Customer; must have executed a Service Agreement, or on whose behalf an unexecuted Service Agreement has been filed with the Commission; or must be otherwise bound by the terms of this Tariff.

1.18c **Market Protocols:** The protocols implementing this Attachment AE, as amended from time to time in accordance with the SPP Membership Agreement.

1.18d **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.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007
Effective: February 1, 2007

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, except for purposes of fulfilling obligations under a Commission-approved reserve sharing program.
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.

1.26a **Next-Hour-Market Service:** Non-firm transmission service that (a) is reserved for one clock hour and (b) is requested within sixty (60) minutes before the start of the next clock hour for service commencing at the start of that clock hour.
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 **Non-Firm Sale:** An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.28a **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 39 pertaining to special Tariff provisions related to the applicability of the Tariff during and after the Transition Period.

1.31b **Part V:** Tariff Sections 40 through 41 pertaining to recovery of costs for Base Plan Upgrades and approved Balanced Portfolios and appropriate Schedules and Attachments.

1.32 **Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: October 11, 2007
Effective: October 11, 2007

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.

1.36a **Pre-Confirmed Application:** An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.36b **Project Sponsor:** One or more entities that voluntarily agree to bear a portion or all of the costs of a Sponsored Upgrade.

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

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: June 25, 2008
Effective: May 27, 2008

1.37b Region-wide Charge: Regional component of the charge assessed by the Transmission Provider in accordance with Schedule 11 to recover the Region-wide Annual Transmission Revenue Requirement.

1.37c Region-wide Load Ratio Share: Ratio of a Network Customer’s or Transmission Owner’s Resident Load in the SPP Region to the total load in the SPP Region computed in accordance with Section II.B to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.

1.37d Region-wide Rate: Regional component of the rate per kW of Reserved Capacity assessed by the Transmission Provider in accordance with Schedule 11 to recover the Region-wide Annual Transmission Revenue Requirement.

1.37e Regional State Committee: A voluntary organization comprised of one designated commissioner from each participating state regulatory commission having jurisdiction over an SPP Member, established to collectively provide both direction and input on all matters pertinent to the participation of the Members in SPP pursuant to the SPP By-Laws.

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.

Issued by: L. Patrick Bourne, Director
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Issued on: April 2, 2007 Effective: February 1, 2007

1.38a Reported Load: A Market Participant's actual value of energy withdrawn from the Transmission System at a Settlement Location, including Transmission System losses, adjusted as described under Section 5.1 of Attachment AE to be consistent with Settlement Area Net Load.

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.

1.39a Resident Load: The load specified in Section 41 of the Tariff.

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.
1.41a **Service Upgrades:** Network Upgrades required to provide transmission service requested by an Eligible Customer in accordance with Attachment Z1 to this 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 **Sponsored Upgrades:** Network Upgrades, requested by a Transmission Customer or other entity, which do not meet the definition of any other category of Network Upgrades.

1.42b **SPP:** The Southwest Power Pool, Inc.

1.42c **SPP Bylaws:** The Bylaws of SPP filed at FERC that set forth the governance structure and other organizational authorities and obligations for SPP.

1.42d **SPP Membership Agreement:** The Southwest Power Pool Membership Agreement detailing the rights and obligations of the SPP and SPP Members.

1.42e **SPP Region:** The geographic area of the Transmission System.

1.42f **SPP Transmission Expansion Plan (STEP):** The plan that describes the transmission expansion projects being considered over the planning period and developed through the stakeholder process in accordance with this Tariff and approved by the SPP Board.

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**Issued by:** L. Patrick Bourne, Director  
Transmission and Regulatory Policy

**Issued on:** March 28, 2008  
**Effective:** May 27, 2008
1.43 **System Condition:** A specified condition on the Transmission Provider’s system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer’s Service Agreement.

1.43a **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 or (ii) to determine the Attachment Facilities, other Direct Assignment Facilities, and system upgrades that are needed to accept power into the grid at
the interconnection receipt point, required to accommodate a request for
generation interconnection in accordance with Attachment V and (iii) whether any
additional costs may be incurred in order to provide transmission service or
generation interconnection.

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, Part III and Part IV of the Tariff.

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 **Zonal Annual Transmission Revenue Requirement:** The revenue requirements for facilities in each Zone and the Avoided Revenue Requirement(s), if any, that are allocated to the Zone in accordance with Attachment J to this Tariff as set forth in Attachment H, Table 1, Column (3).

1.50a **Zonal Reliability Upgrades:** Those upgrades included in and constructed pursuant to the SPP Transmission Expansion Plan in order to ensure the reliability of the Transmission System identified because of application of a Transmission Owner’s company-specific planning criteria.

1.50b **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.
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

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007
Effective: February 1, 2007

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): 100% of the Firm Point-to-Point Transmission Service charges under Schedules 7 and 11 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.

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

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: June 16, 2008 Effective: October 11, 2007

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 transfer capability 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 transfer capability 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 Schedules 7 and 11. The Transmission Customer may not exceed its firm capacity.

Issued by: L. Patrick Bourne, Director
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Issued on: October 11, 2007
Effective: October 11, 2007

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 or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Firm Point-to-Point Transmission Service charges under Schedules 7 and 11 for the period for which the unreserved service was actually used. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, one hour shall be billed at the charge for weekday deliveries, repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration and multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. The Transmission Provider shall compensate the Transmission Owners for 100% of the (i) Firm Point-to-Point Transmission Service charge, (ii) Base Plan Zonal Charge and (iii) Region-wide Charge for the period for which they have provided service. For the amounts exceeding reserved capacity, the Transmission Customer also must replace losses as required by this Tariff.
Delivery will have the second lowest reservation priority under the Tariff, and Non-Firm Point-To-Point Transmission Service used for Next-Hour-Market Service 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. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedules 8 and 11. 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): 100% of the Non-Firm Point-to-Point Transmission Service charges under Schedules 8 and 11 for the duration of the period when the additional service was used as specified below not to exceed one month for the amount in excess of such capacity reservation. An excess of one hour or less shall be billed at the charge for weekday deliveries, repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration and multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. The Transmission Provider shall compensate the Transmission Owners for 100% of the (i) Non-Firm Point-to-Point Transmission Service charge, (ii) Base Plan Zonal Charge and (iii) Region-wide Charge for the period for which they have provided service. 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 Schedules 8 and 11.
Provider in accordance with the times in Attachment P. Schedules submitted after the applicable time specified in Attachment P will be accommodated if practicable. Schedules for Non-Firm Point-To-Point Transmission Service for Next-Hour-Market Service must be submitted to the Transmission Provider no later than 20 minutes and no earlier than 60 minutes before the start of the next clock hour. Schedules submitted less than 20 minutes prior to the start of the next clock hour 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

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007
Effective: February 1, 2007

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. Point-to-Point Transmission Service for Next-Hour-Market Service will always have the lowest priority. 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

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007
Effective: February 1, 2007

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 first to Next-Hour-Market Service and then to remaining transactions beginning with those 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 higher priority than Next-Hour-Market Service, but will have a lower priority than any other 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):

Issued by: L. Patrick Bourne, Director
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Issued on: April 2, 2007
Effective: February 1, 2007

100% of the Non-Firm Point-to-Point Transmission Service charges under Schedules 8 and 11 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.

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 Transfer Capability: A description of the Transmission Provider’s specific methodology for assessing available transfer capability posted on the Transmission Provider’s OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer 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.
25 Compensation for Transmission Service – DRAFT 06-27-08

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 shall pay any applicable Ancillary Service Costs, Wholesale Distribution Service charges (Schedule 10), Base Plan Zonal Charges (Schedule 11), and Region-wide Charges (Schedule 11).

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).

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007 Effective: February 1, 2007

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

Issued by: L. Patrick Bourne, Director  
Transmission and Regulatory Policy

Issued on: April 2, 2007  
Effective: February 1, 2007

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): For the applicable month, 100% of the
Network Integration Transmission Service charge under Schedule 9 plus 100% of
the charges assessed under Schedule 11. 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 (i) Network Integration Transmission
Service charge, (ii) Base Plan Zonal Charge and (iii) Region-wide Charge for the
period for which they have provided service.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment
Facilities, Directly Assigned Upgrade Costs, Ancillary Services, Base Plan Zonal Charges
(Schedule 11), Region-wide Charges (Schedule 11) and applicable study costs, consistent with
Commission policy, along with the following:

34.1 Monthly Demand Charge for all Zones except Zone 1: Except as provided in
Section 34.1a, for all network load served by the Transmission Provider, other
than network load physically located within Zone 1, 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 sum of the Zonal Annual
Transmission Revenue Requirement specified in Attachment H plus any credit for
firm Point-to-Point revenue allocated to the Zone under Attachment L included in
such revenue requirement, less the previous calendar year’s total firm Point-to-
Point transmission revenues, that are credited directly to wholesale customers
through other mechanisms under this Tariff, allocated to the Zone under
Attachment L for each Zone in which the Network Customer’s Network Load is
physically

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: June 25, 2008 Effective: May 27, 2008
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER08-746-000,
prior to the retail load receiving the right to choose a different supplier; and (3) its bundled load under Grandfathered Agreements. For purposes of this provision the non-rate terms and conditions are those that would apply to Network Customers. In addition, unless a Transmission Owner executes a Service Agreement under this Part III, it will not be considered as taking Network Integration Transmission Service.

V. Recovery of Costs for Base Plan Upgrades and Approved Balanced Portfolios – DRAFT 06-27-08

40. Base Plan Zonal Charge and Region-wide Charge

SPP shall assess Base Plan Zonal Charges and Region-wide Charges specified in Schedule 11 to recover the Base Plan Zonal Annual Transmission Revenue Requirements and Region-wide Annual Transmission Revenue Requirement.

41. Applicability to Resident Load

Base Plan Zonal Charges and Region-wide Charges shall be determined in accordance with Schedule 11 and assessed to:

(a) Network Customers taking Network Integration Transmission Service to serve their Network Load under the SPP Tariff; and

(b) Transmission Owners providing transmission service to: (i) bundled retail load for which such Transmission Owners are not taking Network Integration Transmission Service or Firm Point-to-Point Transmission Service under the SPP Tariff; and (ii) load being served under Grandfathered Agreements for which such Transmission Owners are not taking Network Integration Transmission Service or Firm Point-to-Point Transmission Service under the SPP Tariff.

For the purposes of Schedule 11, the load defined in Sections 41(a) and (b) shall be classified as Resident Load.

42. Applicability to Point-to-Point Transmission Service

Issued by: L. Patrick Bourne, Director
Transmission and Regulatory Policy

Issued on: April 2, 2007 Effective: February 1, 2007

Base Plan Zonal Charges and Region-wide Charges shall be determined in accordance with Schedule 11 and assessed to Transmission Customers taking Point-to-Point Transmission Service under the SPP Tariff.
# Protocols Revision Request

<table>
<thead>
<tr>
<th>PRR Number</th>
<th>185</th>
<th>PRR Title</th>
<th>Allowing flowgate SPPSPSTIES, NERC ID 5247, to be activated in RTB studies, without TLR issuance</th>
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<tbody>
<tr>
<td><strong>Protocol Section(s) Requiring Revision</strong>&lt;br&gt;(include Section No., Title, and Protocol Version)</td>
<td>6.8</td>
<td>Schedule Curtailment/Adjustment Under TLR Operations</td>
<td></td>
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<tr>
<td>Impact Analysis Required&lt;br&gt;(Yes or No)</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>MMU Report Required&lt;br&gt;(Yes or No)</td>
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<tr>
<td>Requested Resolution&lt;br&gt;(Normal or Urgent)</td>
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## Revision Description

The proposed changes will allow the SPP RC to activate the specific flowgate 5247 (SPPSPSTIES) in RTB studies, only issuing a TLR when schedules are indicated in the IDC at or above the 5% TDF threshold. CAT will have the flowgate activated at all times the flowgate is activated in the market system; the internal logic of CAT will maintain schedule feasibility on the flowgate.

## Reason for Revision

Flowgate 5247 (SPPSPSTIES) is a unique flowgate that requires RTB activation for a majority of studies. Currently, this flowgate (and all others) are manually monitored by the SPP RC. This flowgate can become loaded quickly, due to economics. Reliability can become compromised if the flowgate is not activated prior to loading; therefore the flowgate remains in TLR. Since the flowgate is not always loaded while in TLR, the target market flow must be constantly adjusted to meet the NERC IDC requirement for relief, when physical flow is controlled. An exception to the protocols is required to allow the SPP RC to activate this flowgate, without issuing a TLR, so long as there are no tags or schedules at or above the IDC set 5% curtailment threshold.

This PRR is submitted as an interim solution until an SPP specific TLR level can be established. This will also minimize the impact of price volatility experienced in SPS resulting from a late activation of the constraint.

For the period February 1, 2007 thru June 12, 2008, there were 130,363 5-minute activations of SPPSPSTIES but only 33,216 5-minute intervals that the SPPSPSTIES was in TLR and there were IDC curtailments. The implementation of this PRR would reduce the unneeded TLR events by 75%.
## Protocols Revision Request

<table>
<thead>
<tr>
<th>Tariff Implications or Changes (Yes or No; If yes include a summary of impact and/or specific changes)</th>
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### Sponsor

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<td>Fax Number</td>
<td>303-571-2779</td>
</tr>
</tbody>
</table>

### Proposed Protocol Language Revision

**Market Protocols Change:**

**6.8.4 Exception for SPPSPSTIES**

For flowgate SPPSPSTIES (NERC ID 5247), SPP may activate the flowgate, without issuing a TLR in NERC IDC. This shall only be done if there are no tags or schedules in IDC that have a TDF of 5% or greater for that particular hour of activation. When the flowgate is activated, the flowgate will also be activated in CAT. CAT internal logic will maintain schedule feasibility at all times while the flowgate is activated. This exception shall expire 18 months from the acceptance date from FERC unless extended by the Market Operations Policy Committee.
Tariff Changes: Attachment AE

4.3

(i) For flowgate SPPSPSTIES (NERC ID 5247), the Transmission Provider may activate the flowgate, without issuing a TLR in NERC IDC. This shall only be done if there are no tags or schedules in IDC that have a TDF of 5% or greater for that particular hour of activation. When the flowgate is activated, the flowgate will also be activated in CAT. CAT internal logic will maintain schedule feasibility at all times while the flowgate is activated. This exception shall expire 18 months from the acceptance date from FERC unless extended by the Market Operations Policy Committee.