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September 30, 2008

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

Re: ***Southwest Power Pool, Inc.***, Docket No. ER08-____-000
Revisions to Bylaws, Tariff, and Membership Agreement

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. Part 35, Southwest Power Pool, Inc. ("SPP"), as authorized by its Board of Directors, proposes amendments to its Bylaws, Open Access Transmission Tariff ("Tariff"), and Membership Agreement. SPP proposes the amendments in order to facilitate Nebraska Public Power District ("NPPD"), Omaha Public Power District ("OPPD"), and Lincoln Electric System ("LES") (collectively the "Nebraska Entities") becoming Members of SPP. SPP requests that these revisions be made effective December 1, 2008.

I. BACKGROUND

A. Identity of SPP and the Nebraska Entities

SPP is a Commission-approved Regional Transmission Organization ("RTO"). It is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. SPP currently has 50 Members, serving more than 4 million customers in a 255,000 square-mile area covering all or part of eight states. SPP's members include 12 investor-owned utilities, 8 municipal systems, 11 generation and transmission cooperatives, 2 state authorities, 4 independent power producers, 11 power marketers, and 2 independent transmission companies. As an RTO, SPP is a transmission provider administering transmission service over portions of Arkansas, Kansas, Louisiana,

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Missouri, New Mexico, Oklahoma, and Texas. In addition to providing tariff services as an RTO, SPP serves as a “Regional Entity” for the North American Electric Reliability Corporation.¹

NPPD is a publicly-owned electric utility and political subdivision of the state of Nebraska. It is not a public utility as defined by the Federal Power Act.² Pursuant to Nebraska statutes, NPPD is engaged in the generation, transmission, and delivery of electric power and energy to wholesale and retail customers throughout the state of Nebraska. NPPD is Nebraska’s largest electric utility, with over 4,300 miles of transmission lines and a peak load of approximately 2,600 MW within a chartered territory including all or parts of 91 of Nebraska’s 93 counties. It serves approximately 88,000 retail customers throughout the state and serves the wholesale requirements of 78 municipalities, public power districts, and cooperatives. In total, NPPD directly or indirectly provides energy and transmission service to approximately 1,000,000 Nebraskans. NPPD is governed by an independent 11-member Board of Directors popularly elected from NPPD’s chartered territory.

OPPD is a publicly-owned electric utility and political subdivision of the state of Nebraska. It is not a public utility as defined by the Federal Power Act.³ With a peak load of approximately 2,200 MW, OPPD serves more than 340,000 customers in 13 eastern Nebraska counties, including the Omaha, Nebraska metropolitan area. It was organized as a political subdivision of the State of Nebraska in 1946 and is governed by an eight-member Board of Directors elected by the people in its service territory.

LES is a municipal electric utility formed in 1966 that now serves approximately 108,000 residential customers and 15,000 commercial and industrial customers located in Lancaster County, Nebraska, including the cities of Lincoln, Prairie Home, Waverly, Walton, Cheney, and Emerald. LES is a non-profit, customer-owned utility governed by a semi-autonomous administrative board of local citizens. LES is not a public utility as defined by the Federal Power Act.⁴

¹ *N. Am. Elec. Reliability Corp.*, 119 FERC ¶ 61,060, *order on reh’g*, 120 FERC ¶ 61,260 (2007).

² 16 U.S.C. § 824(e).

³ *Id.*

⁴ *Id.*

B. Reason for the Proposed Revisions to the SPP Bylaws, Tariff, and Membership Agreement

The Bylaws, Tariff, and Membership Agreement revisions proposed herein are necessary to enable the Nebraska Entities to become Members of SPP. Because of their unique status and obligations under state and municipal laws, the Nebraska Entities seek revision of the SPP Bylaws, Tariff, and Membership Agreement in order to become Members of SPP without violating their legal obligations, jeopardizing their tax-exempt status, or becoming subject to Commission jurisdiction as public utilities under the Federal Power Act.⁵

The Nebraska Entities seek to become Members of SPP upon Commission approval of this filing, and to transfer operational control of their transmission facilities to SPP and begin participating in the SPP Energy Imbalance Service Market on April 1, 2009. Because the Nebraska Entities must provide notice of termination of existing commitments in order to join SPP, Commission approval of these amendments, without modification, is required prior to the Nebraska Entities joining SPP. Accordingly, SPP submits this filing and seeks an effective date of December 1, 2008 for the proposed amendments. SPP stakeholders have approved the proposed amendments as discussed below.

II. DESCRIPTION AND JUSTIFICATION FOR REVISIONS

The Commission has recognized that a properly formed RTO should include all transmission owners in a region and has further acknowledged that “public power entities face[] unique difficulties in RTO participation.”⁶ In this respect, SPP notes that the state of Nebraska is directly contiguous to the northern boundary of SPP’s existing regional footprint and that the addition of the Nebraska Entities would add 77,358 square miles to SPP’s existing region, a 30% increase to its existing geographic footprint.

The significance of this addition and the related benefits that will redound to all SPP Market Participants should weigh heavily in favor of providing the necessary flexibility that the Commission has indicated will be afforded, on a case-by-case basis, to proposals involving public power.⁷ Accordingly, SPP respectfully requests the Commission to approve the proposals set forth herein, without modification.

⁵ *Id.*

⁶ *TRANSLink Transmission Co., L.L.C.*, 101 FERC ¶ 61,140, at P 26 (2002).

⁷ *Id.*

A. Amendments to the SPP Bylaws

NPPD and OPPD have requested that SPP amend its Bylaws to increase the size of its Members Committee to 19 members by adding an additional representative from state and federal public power agencies. The Members Committee is a committee established by the SPP Bylaws to work with the SPP Board of Directors to manage and direct the general business of SPP and to provide input regarding all actions pending before the Board of Directors. Under the existing Bylaws, the Members Committee consists of 18 stakeholder seats: four seats for representatives of investor-owned utility Members; four seats for representatives of cooperative Members; two seats for representatives of municipal utility Members; three seats for representatives of independent power producer and marketer Members; one seat for a representative of state and federal public power agency Members; two seats for representatives of alternative power/public interest Members; one seat for a representative of large retail customer Members; and one seat for a representative of small retail customer Members.⁸

NPPD and OPPD have requested that SPP increase the number of state/federal public power agency representatives on the Members Committee from one to two. This will increase the size of the Members Committee to 19 members. This modification is just and reasonable because the addition of NPPD and OPPD as members will double the number of public power agency members of SPP and will add 5,000 miles of transmission facilities to SPP. Moreover, the modification has been approved by SPP's membership. SPP's Corporate Governance Committee approved the increase on July 2, 2008, and the proposal was approved by a Special Meeting of the Members on September 8, 2008. Exhibit No. 1 contains a clean version of the Bylaws as amended and Exhibit No. 2 contains a redlined version of the amendments.

B. Modifications to the SPP Tariff

SPP is submitting several modifications to its Tariff to accommodate membership by the Nebraska Entities. First, SPP proposes to amend the definition of "Grandfathered Agreements or Transactions" in Section 1.14a of its Tariff to include contracts entered into by the Nebraska Entities prior to the transfer of control of their transmission facilities to SPP, as well as contracts entered into by the Nebraska Entities (whether existing at the time they join SPP or thereafter) with any retail or wholesale customer that has a right under state law to obtain electric transmission service or energy service (but, for contracts entered into after the transfer of facilities, only if service under the SPP Tariff would fail to satisfy the Nebraska Entities' legal obligations). These provisions are necessary to ensure that the Nebraska Entities can join SPP and allow service to be provided under the

⁸ While the SPP Bylaws provide for up to 18 seats, only 14 seats are currently filled.

SPP Tariff while ensuring that they remain compliant with state and local laws. This provision is just and reasonable because similar grandfathering provisions have been approved by the Commission for federal public power agency Members of SPP.⁹

SPP also proposes to amend Section 1.44a of its Tariff definition of “Transition Period” to establish a five-year transition period for the Nebraska Entities similar to the transition period originally provided to initial SPP Transmission Owners before requiring them to purchase Tariff service to serve bundled retail load. The specific provisions of the Transition Period are established in Section 37 of the Tariff, which SPP is not proposing to amend. SPP instead is proposing to modify Section 38.2, which identifies the obligations of Transmission Owners after the end of the Transition Period. As the Commission has previously approved a similar transition period for other SPP Transmission Owners, as well as for members of other RTOs, this provision is just and reasonable.¹⁰

SPP also proposes to amend Sections 5.1 and 5.2 of the SPP Tariff regarding the provision of transmission service over facilities that were financed by tax-exempt bonds or by tax-exempt entities. Sections 5.1 and 5.2 provide that Transmission Owners are not required to provide transmission service to Eligible Customers under the Tariff if doing so would jeopardize the Transmission Owner’s status as a tax-exempt entity or the tax

⁹ Section 1.14a of the SPP Tariff currently defines, in part, Grandfathered Agreements as:

[E]xisting 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

This provision was approved by the Commission in 1999 when Southwestern Power Administration (“SWPA”) was a member of SPP. *See Sw. Power Pool, Inc.*, 89 FERC ¶ 61,284 (1999) (“SPP 1999 Order”), *order on reh’g*, 98 FERC ¶ 61,038 (2002), *aff’d in part and remanded in part on other grounds sub nom. E. Tex. Elec. Coop., Inc. v. FERC*, 331 F.3d 131 (D.C. Cir. 2003), *order on remand*, 108 FERC ¶ 61,078 (2004). SWPA is no longer a Member of SPP, but continues to receive certain contract services from SPP.

¹⁰ *SPP 1999 Order* at 61,889 (citing *Midwest Indep. Transmission Sys. Operator, Inc.*, 84 FERC ¶ 61,231, at 62,167, *modified*, 85 FERC ¶ 61,250, *order on reh’g*, 85 FERC ¶ 61,372 (1998)).

exempt status of the bonds used to finance the facility. The existing Tariff provisions apply to tax exempt entities “described in Section 501(c) of the Internal Revenue Code” and to “local furnishing bonds.” Some of the Nebraska Entities’ facilities have been financed with other types of tax-exempt bonds. The proposed Tariff modifications remedy this problem by recognizing other tax-exempt bonds used by the Nebraska Entities to finance their facilities. This revision is just and reasonable because it ensures that the Nebraska Entities will not be required to provide service that would jeopardize their tax-exempt status.

Finally, SPP proposes to add Section 39a to its Tariff to address the potential for conflicts between state laws and federal regulations. Proposed Section 39a applies to public power entities that are not public utilities under the Federal Power Act. Proposed Section 39a provides that, where the governing board of a public power entity has determined, subject to state court review, that a conflict exists between state laws and the Commission’s interpretations of the Tariff, state law shall govern with respect to how the Tariff is applied to the public power entity. The Nebraska Entities requested this addition in order to ensure, in the event of a conflict between state law and SPP’s Tariff, that such entities can continue their status as Members of SPP while remaining compliant with any conflicting state law. The proposed addition is just and reasonable because it is identical in all material respects to language previously approved by the Commission.¹¹

The revisions were approved by the SPP Regional Tariff Working Group on August 28, 2008 and by the Markets Operations and Policy Committee on September 3, 2008. SPP’s Board of Directors approved the proposals on September 8, 2008. A clean version of the Tariff changes is included as Exhibit No. 3 and a redlined version is included as Exhibit No. 4.

C. Amendments to the SPP Membership Agreement

As public power agencies, the Nebraska Entities have certain obligations under state law, and in the case of LES, municipal law, that necessitate certain modifications and clarifications to the language of the SPP Membership Agreement that each of the Nebraska Entities will sign. The Nebraska Entities have requested that SPP adopt several provisions that will be appended to the Nebraska Entities’ Membership Agreements and govern the relationship between SPP and each of the Nebraska Entities. These provisions are designed to address matters arising under the state and municipal laws governing each of the Nebraska Entities. The Nebraska Entities’ Membership Agreement Attachments each include several identical provisions, as well as certain different provisions as described in more detail below

¹¹ *TRANSLink Dev. Co., LLC*, 104 FERC ¶ 61,148, at P 9 (2003).

The Nebraska Entities held a technical conference with SPP stakeholders on August 26, 2008 to review these amendments and respond to any stakeholder questions or concerns. The SPP Board of Directors approved the proposals on September 8, 2008.

(1) NPPD/OPPD Membership Agreement Amendments

The NPPD and OPPD requested changes to their Membership Agreements with SPP are attached as Exhibit Nos. 5 and 6, respectively.¹² These provisions are just and reasonable because they have been subject to previous Commission review and approval as discussed in more detail below.

The amendments include a dispute resolution clause indicating that any attempts to resolve disputes will be binding only if approved by NPPD/OPPD's governing board, subject to Nebraska state and/or federal court review. This provision is just and reasonable because it ensures a forum is available to resolve disputes and is consistent in all material respects to a provision approved previously by the Commission.¹³ Additionally, NPPD/OPPD seek to amend the language of their Membership Agreements to include a provision that protects the agencies from having to take any action or refrain from taking any action that would affect their rights and obligations or enforceability of their present or future bond resolutions, tax exempt debt covenants, and financing agreements.¹⁴ The provision requires NPPD/OPPD and SPP to meet and confer and, as necessary, negotiate in good faith to modify the Membership Agreement to address these matters, if they arise.

The proposed amendments also contain a provision indicating that NPPD/OPPD shall not be required to undertake certain actions or performances under the agreement that conflict with applicable Nebraska state law or would result in NPPD/OPPD violating any Nebraska law or regulation. The amendments also provide that any determination regarding compliance with Nebraska laws and regulations shall be within the jurisdiction of NPPD or OPPD's governing board, subject to Nebraska state court review. This provision is just and reasonable because it allows NPPD/OPPD to remain compliant with state law and is consistent in all material respects to provisions approved previously by the Commission,¹⁵ except that the provision requires NPPD/OPPD to notify SPP in

¹² The NPPD and OPPD attachments are identical in substance.

¹³ *TRANSLink Dev. Co., LLC*, 104 FERC ¶ 61,148, at P 9.

¹⁴ The Commission approved a similar provision for state public power agencies in their effort to join TRANSLink. *TRANSLink Transmission Co., L.L.C.*, 101 FERC ¶ 61,140, at P 26.

¹⁵ *Id.*

advance of the actions that would potentially constitute a violation of governing law and requires the parties to meet and confer and, as necessary, negotiate in good faith to modify the agreement to address the situation.

The proposed amendments also contain a choice of law clause, indicating that the Agreement is governed by and shall be interpreted in accordance with Arkansas law, provided that any court or regulatory body applying Arkansas law shall give full effect to NPPD/OPPD's obligations under Nebraska state law. This provision is just and reasonable because it is similar to the provision approved for Nebraska public power agencies in their effort to join TRANSLink.¹⁶

The NPPD/OPPD Membership Agreement will also be modified to contain a provision indicating that membership in SPP does not subject NPPD/OPPD to the jurisdiction of the Commission as a public utility under the Federal Power Act and that NPPD/OPPD will not be required by the agreement to undertake any action that would trigger Commission jurisdiction that does not otherwise exist. This provision is consistent in all material respects to a provision approved in *TRANSLink Transmission Co. , L.L.C.*,¹⁷ with the exception of new language acknowledging that the Commission, in the context of its jurisdiction over the rates of SPP, may review NPPD/OPPD's revenue requirements and rates to the extent they comprise or affect the rates charged by SPP or other Members. Furthermore, NPPD/OPPD may terminate the Membership Agreement if the Commission does not accept NPPD/OPPD's revenue requirements or rates. These new provisions are just and reasonable because they are consistent with the requirements of *Pacific Gas & Electric Co. v. FERC*.¹⁸

Additionally, NPPD/OPPD may terminate the Membership Agreement at any time with less than the required twelve-month notice, in the event that state law or any provisions of the Membership Agreement or SPP's Tariff are changed or modified in a manner that causes a conflict with applicable Nebraska law, regulations or approved rate schedules and the parties are unable to resolve the conflict under the dispute resolution procedures of the Membership Agreement (as amended). This provision is just and reasonable because similar withdrawal rights were recently approved by the Commission in the Midwest ISO.¹⁹

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ 306 F.3d 1112 (D.C. Cir. 2002).

¹⁹ *Midwest Indep. Transmission Sys. Operator, Inc.*, 123 FERC ¶ 61,265 (2008).

The proposed amendments also provide that NPPD/OPPD's governing boards are to be considered state regulatory authorities with jurisdiction and discretionary authority to decide whether to provide regulatory approval for the construction of new transmission facilities,²⁰ as well as providing for NPPD and OPPD to submit to SPP for filing with the Commission a fixed revenue requirement or rate subject to periodic adjustment and approval by the NPPD/OPPD governing board. These amendments are just and reasonable because they recognize the unique circumstances of the Nebraska regulatory framework.

The amendments also reserve the right of NPPD/OPPD to exercise Operational Authority over their facilities in certain specified circumstances, if SPP's exercise of Operational Authority would endanger service or is contrary to state law. This provision is just and reasonable because it is consistent in all material respects to a provision approved by the Commission for the state public power entities seeking to join TRANSLink.²¹ The amendments also reflect and implement changes to the SPP Tariff and standard Membership Agreement with respect to Grandfathered Agreements and the Transition Period. Those changes are just and reasonable because they are consistent with the Commission's approval of similar provisions applicable to SWPA.²²

As discussed above, these proposed additions to the NPPD and OPPD Membership Agreements are consistent with provisions that have previously been approved by the Commission and are necessary to facilitate these public power entities joining SPP.

(2) LES Membership Agreement Amendments

Most of the proposed amendments to the LES Membership Agreement are similar in substance to the NPPD/OPPD amendments with the addition of language to ensure adherence to applicable municipal law.²³ Accordingly, they are just and reasonable for

²⁰ The governing boards of NPPD and OPPD in effect serve the function of state regulatory authorities over NPPD and OPPD. *See, e.g. Mid-Continent Area Power Pool*, 91 FERC ¶ 61,065, at 61,231 (2000) (approving a clarification by the Mid-Continent Area Power Pool that the NPPD's Board of Directors is the "applicable regulatory body" for NPPD). Moreover, decisions by these governing boards are subject to state court review.

²¹ *TRANSLink Transmission Co., L.L.C.*, 101 FERC ¶ 61,140 at P 26.

²² *See supra* note 9.

²³ LES's proposed Membership Agreement Attachment, however, does not include the dispute resolution, obligation to build, Operational Authority, or
(continued . . .)

the same reasons as identified above. The proposed amendments to the LES Membership Agreement are attached as Exhibit No. 7.

In addition to adopting many of the same provisions as NPPD and OPPD, LES has requested that certain additional modifications to the language of the Membership Agreement be included in the attachment to its Membership Agreement to enable it to join SPP while continuing to fulfill its obligations as a municipal utility. For instance, LES has requested modifying the language of Section 2.3 of the SPP Membership Agreement to include language governing SPP's fiduciary responsibility to collect and distribute revenues in accordance with the Tariff and other applicable documents. Additionally, LES has requested that SPP amend Section 4.3.2(e) of the Membership Agreement governing the payment of Existing Obligations to include amounts SPP expects to accrue and that will become payable in the period between a Member's Notice of Termination and the Member's Termination Date. Furthermore, LES requests modification of Section 8.1 of the Membership Agreement to include the "Home Rule Charter and Municipal Code of the City of Lincoln" as "Governing Law" with respect to all matters relating to the corporate authority of LES. Finally, LES seeks to modify Section 8.11 of the Membership Agreement governing conflicts between the Membership Agreement and agreements between the Member and third-parties. These changes are also reflected in Exhibit No. 7.

As discussed above, LES's proposed changes to the Membership Agreement have been reviewed through the SPP stakeholder process and approved by SPP's Board of Directors. These provisions are just and reasonable because, like the modifications requested by NPPD and OPPD, they will facilitate LES participating in SPP without violating its obligations as a municipal electric utility.

III. ADDITIONAL INFORMATION

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13

(1) Documents submitted with this filing:

This filing includes revised Bylaws, Tariff sheets, and SPP Membership Agreement sheets to provide for membership in SPP

(... continued)

Grandfathered Agreement provisions contained in the NPPD/OPPD Membership Agreements.

by the Nebraska Entities. Specifically, the following documents are submitted with this filing:

Exhibit No. 1	Clean Version of the Bylaws sheets
Exhibit No. 2	Redlined Version of the Bylaws sheets
Exhibit No. 3	Clean Version of the SPP Tariff sheets
Exhibit No. 4	Redlined Version of the SPP Tariff sheets
Exhibit No. 5	Signature Page for the NPPD Membership Agreement, Attachment to the NPPD Membership Agreement, and NPPD Resolution
Exhibit No. 6	Signature Page for the OPPD Membership Agreement, Attachment to the OPPD Membership Agreement, and OPPD Resolution
Exhibit No. 7	Signature Page for the LES Membership Agreement, Attachment to the LES Membership Agreement, and LES Resolution

(2) Effective Date:

As discussed herein, SPP requests that the Commission accept the proposed revisions with an effective date of December 1, 2008.

(3) Service:

SPP has served a copy of this filing on all its Members and Customers and the Nebraska Entities. A complete copy of this filing will be posted on the SPP web site www.spp.org, and is also being served on all affected state commissions.

(4) Requisite Agreements:

SPP's Board of Directors approved this filing at a special meeting on September 8, 2008.

B. Communications

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

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Director – Regulatory Policy
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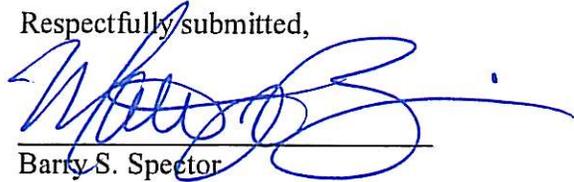
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VI. Conclusion

For all of the foregoing reasons, SPP respectfully requests that the Commission accept the proposed revisions to SPP's Bylaws, Tariff, and the Membership Agreements with the Nebraska parties, as submitted herein, with an effective date of December 1, 2008. SPP further requests waiver of any additional Commission regulations that the Commission may deem applicable.

Respectfully submitted,



Barry S. Spector

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

cc: Penny Murrell
Michael Donnini
John Rogers
Patrick Clarey

Exhibit No. 1

4.6.4 Compensation of Directors

Directors shall receive compensation as recommended by the Corporate Governance Committee, and approved by the Membership, and shall be reimbursed for actual expenses reasonably incurred or accrued in the performance of their duties.

4.6.5 Executive Session

Executive sessions (open only to directors and to parties invited by the Chair) shall be held as necessary upon agreement of the Board of Directors to safeguard confidentiality of sensitive information regarding employee, financial, or legal matters.

5.0 COMMITTEES ADVISING THE BOARD OF DIRECTORS

5.1 Members Committee

The Members Committee shall work with the Board of Directors to manage and direct the general business of SPP. Its duties shall include, but are not limited to the following:

- (a) Provide individual and collective input to the Board of Directors, including but not limited to a straw vote from the Members Committee representatives as an indication of the level of consensus among Members, on all actions pending before the Board of Directors; and
- (a) Serve on committees reporting to the Board of Directors as appointed by the Board of Directors.
- (c) Provide input with the Board of Directors to the Regional Entity Trustees on SPP Regional Reliability Standards presented by the MOPC to the Trustees or otherwise developed under the auspices of the Trustees for submission to the ERO for its approval.

5.1.1 Composition and Qualifications

5.1.1.1 Composition

Provided that Membership is sufficient to accommodate these provisions, the Members Committee shall consist of up to 19 persons. Four representatives shall be investor owned utilities Members; four representatives shall be cooperatives Members; two representatives shall be municipals Members (including municipal joint action agencies); three representatives shall

be independent power producers/marketers Members; two representatives shall be state/federal power agencies Members; two representatives shall be alternative power/public interest Members; one representative shall be a large retail customer Member; defined as non-residential end-use customers with individual or aggregated loads of 1-MW or more; and one representative shall be a small retail customer Member, defined as residential customers and other customers with individual or aggregated loads of less than 1-MW. Representatives will be elected in accordance with Section 5.1.2 of these Bylaws.

Exhibit No. 2

4.6.4 Compensation of Directors

Directors shall receive compensation as recommended by the Corporate Governance Committee, and approved by the Membership, and shall be reimbursed for actual expenses reasonably incurred or accrued in the performance of their duties.

4.6.5 Executive Session

Executive sessions (open only to directors and to parties invited by the Chair) shall be held as necessary upon agreement of the Board of Directors to safeguard confidentiality of sensitive information regarding employee, financial, or legal matters.

5.0 COMMITTEES ADVISING THE BOARD OF DIRECTORS

5.1 Members Committee

The Members Committee shall work with the Board of Directors to manage and direct the general business of SPP. Its duties shall include, but are not limited to the following:

- (a) Provide individual and collective input to the Board of Directors, including but not limited to a straw vote from the Members Committee representatives as an indication of the level of consensus among Members, on all actions pending before the Board of Directors; and
- (a) Serve on committees reporting to the Board of Directors as appointed by the Board of Directors.
- (c) Provide input with the Board of Directors to the Regional Entity Trustees on SPP Regional Reliability Standards presented by the MOPC to the Trustees or otherwise developed under the auspices of the Trustees for submission to the ERO for its approval.

5.1.1 Composition and Qualifications

5.1.1.1 Composition

Provided that Membership is sufficient to accommodate these provisions, the Members Committee shall consist of up to ~~198~~ persons. Four representatives shall be investor owned utilities Members; four representatives shall be cooperatives Members; two representatives shall be municipals Members (including municipal joint action agencies); three representatives shall

be independent power producers/marketers Members; ~~one~~two representatives shall be a state/federal power agencies Members; two representatives shall be alternative power/public interest Members; one representative shall be a large retail customer Member; defined as non-residential end-use customers with individual or aggregated loads of 1-MW or more; and one representative shall be a small retail customer Member, defined as residential customers and other customers with individual or aggregated loads of less than 1-MW. Representatives will be elected in accordance with Section 5.1.2 of these Bylaws.

Exhibit No. 3

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; (6) contracts entered into by a Nebraska public-power entity prior to the transfer of functional control of its transmission facilities to the Transmission Provider; (7) existing contracts entered into by a Member which is a Nebraska public-power entity with any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from such Member; and (8) new contracts entered into by a Member which is a Nebraska public-power entity with any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from such Member to

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

Issued on: September 30, 2008

Effective: December 1, 2008

the extent that provision of service under the Tariff would not satisfy such Member's obligation under state law. 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,

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

Issued on: September 30, 2008

Effective: December 1, 2008

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. The transition period for a Member that is a Nebraska public-power entity shall be the period from the effective date of the transfer of functional control 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.

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Transmission and Regulatory Policy

Issued on: September 30, 2008

Effective: December 1, 2008

5 Local Furnishing Bonds

5.1 Transmission Owners That Own Facilities Financed by Local Furnishing or Other Tax-Exempt Bonds or that are Tax Exempt Entities: This provision is applicable only to Transmission Owners that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds") or facilities with other bonds the interest on which is excluded from gross income under Section 103 of the Internal Revenue Code ("other tax-exempt bonds"), or that are tax-exempt entities, described in Section 501(c) of the Internal Revenue Code. Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) or other tax-exempt bonds used to finance a Transmission Owner's facilities that would be used in providing such transmission service or would jeopardize the tax-exempt status of the tax-exempt entity.

5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) or other tax-exempt bonds used to finance a Transmission Owner's facilities that would be used in providing such transmission service or would jeopardize the tax-exempt status of the Transmission Owner, the Transmission Provider shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

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

Issued on: September 30, 2008

Effective: December 1, 2008

38 After Transition Period

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

38.2 Applicability to Retail Load Not Having Choice: Beginning at the end of the fifth year after the last day of the Transition Period, the Transmission Owner or in the case of a Nebraska public-power entity beginning after the fifth year of the transfer of functional control of such entity's transmission facilities to the Transmission Provider, shall take Network Integration Transmission Service or Point-To-Point Transmission Service from the Transmission Provider in accordance with this Tariff for sales to retail customers not having the right to choose a different power supplier.

38.3 Grandfathered Agreements: Transmission Service provided pursuant to Grandfathered Agreements shall continue to term in accordance with the provisions of the Grandfathered Agreements unless the parties agree otherwise. Grandfathered Agreements are defined in Section 1.14a.

39. Applicability of Non-Rate Terms and Conditions

39a Subject to State Laws and Regulations and Public Power Rate Schedules

The participation in this Tariff by a Transmission Owner that is not a public utility under the Federal Power Act, but rather is a public-power entity, is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. The Commission has exclusive jurisdiction to interpret the provisions of this Tariff and how the provisions apply to such public-power entity(ies).

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Transmission and Regulatory Policy

Issued on: September 30, 2008

Effective: December 1, 2008

However, in the event that the governing board of such public-power entity(ies), subject to state court review, determines that a conflict exists between the applicable state law, regulations, or rate schedules, and provisions of this Tariff as interpreted by the Commission, such state law, regulations, or rate schedules shall govern with respect to the application of this Tariff to such public-power entity(ies). Should the governing board of such public-power entity(ies) determine that such a conflict exists, the public-power entity(ies) must file, with the Commission, such necessary documents notifying the Commission of the governing board determination of such a conflict and explaining both the conflict (including what state law, regulations, or rate schedules, and what Tariff provisions are at issue) and what actions the governing board is taking in response to that determination.

39.1 Bundled Retail and Grandfathered Load: Notwithstanding Sections 37 and 38 of this Tariff, each Transmission Owner (which is not otherwise taking Network Integration Transmission Service) is subject to the non-rate and conditions of this Tariff for: (1) its bundled retail load not having a choice of power suppliers; (2) its bundled retail load that had the right to choose a different power supplier under a state retail access program or legislation and that was retail load served by the Transmission Owner

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

Issued on: September 30, 2008

Effective: December 1, 2008

Exhibit No. 4

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; (6) contracts entered into by a Nebraska public-power entity prior to the transfer of functional control of its transmission facilities to the Transmission Provider; (7) existing contracts entered into by a Member which is a Nebraska public-power entity with any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from such Member; and (8) new contracts entered into by a Member which is a Nebraska public-power entity with any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from such Member to

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

Issued on: September 30, 2008

Effective: December 1, 2008

the extent that provision of service under the Tariff would not satisfy such Member's obligation under state law. 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,

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

Issued on: September 30, 2008

Effective: December 1, 2008

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. The transition period for a Member that is a Nebraska public-power entity shall be the period from the effective date of the transfer of functional control 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.

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

Issued on: September 30, 2008

Effective: December 1, 2008

5 Local Furnishing Bonds

5.1 Transmission Owners That Own Facilities Financed by Local Furnishing or Other Tax-Exempt Bonds or that are Tax Exempt Entities: This provision is applicable only to Transmission Owners that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds") or facilities with other bonds the interest on which is excluded from gross income under Section 103 of the Internal Revenue Code ("other tax-exempt bonds"), or that are tax-exempt entities, described in Section 501(c) of the Internal Revenue Code. Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) or other tax-exempt bonds used to finance a Transmission Owner's facilities that would be used in providing such transmission service or would jeopardize the tax-exempt status of the tax-exempt entity.

5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) or other tax-exempt bonds used to finance a Transmission Owner's facilities that would be used in providing such transmission service or would jeopardize the tax-exempt status of the Transmission Owner, the Transmission Provider shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

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

Issued on: September 30, 2008

Effective: December 1, 2008

38 After Transition Period

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

38.2 Applicability to Retail Load Not Having Choice: Beginning at the end of the fifth year after the last day of the Transition Period, the Transmission Owner or in the case of a Nebraska public-power entity beginning after the fifth year of the transfer of functional control of such entity's transmission facilities to the Transmission Provider, shall take Network Integration Transmission Service or Point-To-Point Transmission Service from the Transmission Provider in accordance with this Tariff for sales to retail customers not having the right to choose a different power supplier.

38.3 Grandfathered Agreements: Transmission Service provided pursuant to Grandfathered Agreements shall continue to term in accordance with the provisions of the Grandfathered Agreements unless the parties agree otherwise. Grandfathered Agreements are defined in Section 1.14a.

39. Applicability of Non-Rate Terms and Conditions

39a Subject to State Laws and Regulations and Public Power Rate Schedules

The participation in this Tariff by a Transmission Owner that is not a public utility under the Federal Power Act, but rather is a public-power entity, is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. The Commission has exclusive jurisdiction to interpret the provisions of this Tariff and how the provisions apply to such public-power entity(ies).

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

Issued on: September 30, 2008

Effective: December 1, 2008

However, in the event that the governing board of such public-power entity(ies), subject to state court review, determines that a conflict exists between the applicable state law, regulations, or rate schedules, and provisions of this Tariff as interpreted by the Commission, such state law, regulations, or rate schedules shall govern with respect to the application of this Tariff to such public-power entity(ies). Should the governing board of such public-power entity(ies) determine that such a conflict exists, the public-power entity(ies) must file, with the Commission, such necessary documents notifying the Commission of the governing board determination of such a conflict and explaining both the conflict (including what state law, regulations, or rate schedules, and what Tariff provisions are at issue) and what actions the governing board is taking in response to that determination.

39.1 Bundled Retail and Grandfathered Load: Notwithstanding Sections 37 and 38 of this Tariff, each Transmission Owner (which is not otherwise taking Network Integration Transmission Service) is subject to the non-rate and conditions of this Tariff for: (1) its bundled retail load not having a choice of power suppliers; (2) its bundled retail load that had the right to choose a different power supplier under a state retail access program or legislation and that was retail load served by the Transmission Owner

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

Issued on: September 30, 2008

Effective: December 1, 2008

Exhibit No. 5

IN WITNESS WHEREOF, Member and SPP have caused their duly authorized representatives to execute this Agreement on their respective behalves.

MEMBER:

Nebraska Public Power District _____

Name of Member

Transmission Owner _____

Type of Entity (Transmission Owner or Non-Transmission Owner)

Patrick L. Pope _____

Name of Authorized Representative

Vice President & Chief Operating Officer _____

Title of Authorized Representative

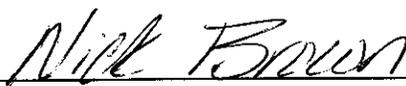
 _____

Signature of Authorized Representative

9/15/08 _____

Date of Execution

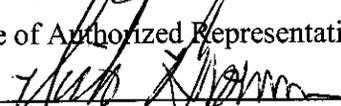
SOUTHWEST POWER POOL, INC.:

 _____

Name of Authorized Representative

President - CEO _____

Title of Authorized Representative

 _____

Signature of Authorized Representative

9/22/08 _____

Date of Execution

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

Effective: May 1, 2004

Issued on: August 2, 2004

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT04-1-002 and ER04-48-002, issued July 2, 2004, 108 FERC ¶ 61,003.

**Amendments to SPP Membership Agreement for
Nebraska Public Power District (NPPD)**

1. Dispute Resolution

Notwithstanding any provisions in this Agreement to the contrary, any disputes relating to Member's determinations, decisions, conduct and actions taken by Member pursuant to its participation in SPP shall be subject to binding resolution only by the Member's governing board, and subject to review by the Nebraska state and/or federal courts.

2. Tax Matters and Bond Covenant and Financing Agreement Obligations

Nothing in this Agreement, nor Member's obligations and performance thereunder, shall affect, or require Member to take or refrain from taking any action that would affect the rights and obligations or enforceability of Member's present or future bond resolutions, tax-exempt debt covenants and financing agreements. Member shall determine in its sole discretion and judgment, in accordance with advice and opinions from its legal counsel, what actions, conduct and performance it is permitted to or must take under its bond resolutions, tax-exempt debt covenants and financing agreements. Member and SPP will meet and confer regarding the matter and, as necessary, negotiate in good faith to modify the Agreement to address the matter.

3. Compliance with State Law

Notwithstanding any other provision of this Agreement, Member shall not be required to take any action or do any other thing with respect to rates, charges, terms or conditions of service, the resolution of disputes under this Agreement or any other matter regarding its obligations and performance under this Agreement, that (a) Member is not permitted by the state law of Nebraska to undertake or that is prohibited in whole or in part by any state law or regulation of Nebraska applicable to Member; or (b) would require Member to violate a provision of such Nebraska state law or regulation in order to comply with this Agreement. Determination of compliance with and permissible action, conduct and obligations under this Section by Member shall be within the sole jurisdiction of the Member's governing board, subject to applicable state of Nebraska court review. Member shall not object to SPP's participation in any state proceedings that impact Member's ability to perform under this agreement or determinations regarding such impact. To the extent possible without violating state law, Member shall notify SPP in advance of any action that Member is required to take that Member believes would constitute a violation of Nebraska law, and Member and SPP promptly shall meet and confer regarding the matter. As necessary, Member and SPP agree to negotiate in good faith to modify the Agreement as consistent as possible with the original intent to allow SPP to exercise Operational Authority over Member's Transmission Facilities as otherwise provided in the Agreement.

4. Governing Law and Venue

Except as provided under Section No. 1, this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arkansas, provided that any court or regulatory body applying Arkansas law shall give full effect to Section 3 of this document regarding Member's obligations under Nebraska law.

5. No Waiver of Jurisdictional Immunity

Member is not subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") as a public utility under the Federal Power Act. Member shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over Member that does not otherwise exist. Any order, decision, rule or regulation issued by FERC to SPP or any other Members or Member of SPP relating to matters exempt from FERC jurisdiction under Section 201(f) of the Federal Power Act shall not apply directly or separately to Member. Without limiting the generality of the foregoing, Member shall not be bound or obligated by any FERC order, decision, rule or regulation requiring a change in the rates, terms or conditions for transmission service or compensation for utilizing the transmission facilities of Member, which conflicts with applicable state law, including any order requiring the suspension of the use of such rates, terms or conditions or the payment of refunds of rates or compensation previously collected or received. Member and SPP acknowledge that the FERC, in the context of its jurisdiction over SPP's rates, may review Member's revenue requirement and rates to the extent they comprise or affect the rates charged by SPP or other Members. If FERC does not accept Member's revenue requirement or rates, Member may terminate this Agreement pursuant to the withdrawal provisions of the Agreement and Section No. 6. In such event, Member and SPP agree to meet and confer prior to any termination of this Agreement. Nothing in this Agreement, or the participation of Member in SPP and its operations waives any objection to or otherwise constitutes a consent to, the jurisdiction by FERC that does not otherwise exist over Member or its transmission service, facilities and rates.

6. Withdrawal Rights

Member may terminate this Agreement at any time during the initial term or any extension thereof with less than the required twelve months notice, in the event that the state law governing Member changes, or any provisions of this Agreement or the provisions of SPP's OATT incorporated by reference in this Agreement are changed or modified in a manner that causes a conflict with the Member's state law, regulations, or rate schedules, and the internal dispute resolution process described in Section 12 of the OATT is unable to resolve such conflict. In such event, Member and SPP shall meet and confer to facilitate the withdrawal as soon as practicable as necessary to ensure compliance with state law.

7. Obligation to Build Conditions

The Member's governing board shall be considered to be a state regulatory authority with jurisdiction and discretionary authority to decide whether to provide regulatory approval for the construction of new transmission facilities.

8. Operational Authority Control Rights

Member reserves the right to exercise Operational Authority over Member's Tariff Facilities (1) to protect public safety and the safety of its workers, to prevent damage to equipment, and to preserve reliability in compliance with NERC standards, and (2) as necessary to preserve Member's rights, duties and obligations regarding electric service to its retail and wholesale native load customers in Nebraska pursuant to its state law and consistent with NERC standards, if SPP's exercise of Operational Authority over the Tariff Facilities would endanger said electric service or is contrary to or would curtail, surrender or delegate such state law rights, duties and obligations. Member will, as soon as reasonably practicable thereafter, notify SPP of such actions taken by Member. Member and SPP will meet and confer regarding the matter and, as necessary, negotiate in good faith to modify the Agreement to address the matter.

9. Revenue Requirements

Member shall have the right to submit to SPP for filing with FERC a fixed revenue requirement and supporting data or a rate formula template for its cost of service revenue requirements under the OATT which will be subject to periodic adjustment and approval by the governing board or agency with jurisdiction to regulate the rates of Member.

10. Grandfathered Agreements or Transactions

Grandfathered Agreements or Transactions include (1) agreements providing long-term firm transmission service and Network Integration Transmission Service executed prior to the effective date of Member's membership in the SPP; (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 of Member's membership in the SPP; (4) existing contracts entered into by Member to serve any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from Member; and (5) new contracts entered into by Member to serve any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from Member to the extent that provision of service under the SPP OATT would not satisfy the public power district Member's obligation under state law. Member shall retain and perform any such agreements. A list of such agreements currently in effect as of the date of this Agreement is attached and may be amended by Member by providing the new agreements to SPP.

11. Transition to Network Service

The five-year Transition Period for purposes of application of Section 37 and Section 38 of the SPP OATT shall commence on the effective date of Member's membership in the SPP.

IN WITNESS WHEREOF, Member and SPP have caused their duly authorized representatives to execute this Amendments to SPP Membership Agreement for Nebraska Public Power District on their respective behalves, which Amendments are fully applicable and incorporated into the Membership Agreement and together shall constitute one and the same instrument binding upon Member and SPP.

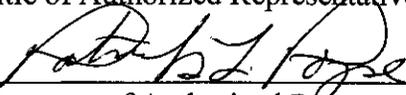
MEMBER:

Nebraska Public Power District
Name of Member

Transmission Owner
Type of Entity (Transmission Owner or Non-Transmission Owner)

Patrick L. Pope
Name of Authorized Representative

Vice President & Chief Operating Officer
Title of Authorized Representative

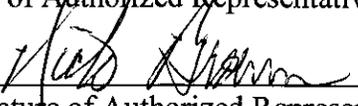

Signature of Authorized Representative

9/15/08
Date of Execution

SOUTHWEST POWER POOL, INC.:

Mike Brown
Name of Authorized Representative

President - CEO
Title of Authorized Representative


Signature of Authorized Representative

9/22/08
Date of Execution

RESOLUTION

OF

NEBRASKA PUBLIC POWER DISTRICT

No. 08-111

Adopted: September 11, 2008

WHEREAS, Resolution 08-58, adopted May 9, 2008, authorized District management and legal counsel to pursue membership in the Southwest Power Pool (SPP) and negotiate a membership agreement and provisions to the SPP Open Access Transmission Tariff (OATT) for the purposes of placing the District's transmission system and transmission service under the SPP OATT and the functional control and operational authority of SPP, and providing for participation in the SPP energy market; and

WHEREAS, after negotiations with SPP, a Membership Agreement and SPP OATT provisions have been prepared in the form and substance that fulfills the operating and legal requirements of the District, which documents have been presented to this Board at this meeting; and

WHEREAS, on September 8, 2008, the SPP Board of Directors and SPP Membership Committee approved said Membership Agreement and said SPP OATT provisions; and

WHEREAS, said Membership Agreement and said provisions for the SPP OATT must be submitted to the Federal Energy Regulatory Commission for acceptance and approval to be effective; and

WHEREAS, management requests authorization to execute the Membership Agreement in the form and substance presented to the Board at this meeting, and to authorize District legal counsel to participate in any proceedings at the Federal Energy Regulatory Commission relating to approval of the Membership Agreement and the SPP OATT provisions.

NOW, THEREFORE, BE IT RESOLVED that management be and is hereby authorized to execute the Membership Agreement with Southwest Power Pool in the form and substance presented to the Board at this meeting, and District legal counsel is authorized to take any and all appropriate action involving approval of said Membership Agreement and said SPP OATT provisions, including participation in any related SPP proceedings, before the Federal Energy Regulatory Commission.

BE IT FURTHER RESOLVED that the District's participation in the Southwest Power Pool is conditioned upon receiving Federal Energy Regulatory Commission acceptance and approval, without modification, of said Membership Agreement and said SPP OATT provisions.

Exhibit No. 6

IN WITNESS WHEREOF, Member and SPP have caused their duly authorized representatives to execute this Agreement on their respective behalves.

MEMBER:

Omaha Public Power District
Name of Member
Transmission Owner
Type of Entity (Transmission Owner or Non-Transmission Owner)
Dale F. Widoe
Name of Authorized Representative
Vice President
Title of Authorized Representative
Dale F. Widoe
Signature of Authorized Representative
September 15, 2008
Date of Execution

SOUTHWEST POWER POOL, INC.:

Nick Brown
Name of Authorized Representative
President - CEO
Title of Authorized Representative
Nick Brown
Signature of Authorized Representative
9/22/08
Date of Execution

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

Effective: May 1, 2004

Issued on: August 2, 2004

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT04-1-002 and ER04-48-002, issued July 2, 2004, 108 FERC ¶ 61,003.

**Amendments to SPP Membership Agreement for
Omaha Public Power District (OPPD)**

1. Dispute Resolution

Notwithstanding any provisions in this Agreement to the contrary, any disputes relating to Member's determinations, decisions, conduct and actions taken by Member pursuant to its participation in SPP shall be subject to binding resolution only by the Member's governing board, and subject to review by the Nebraska state and/or federal courts.

2. Tax Matters and Bond Covenant and Financing Agreement Obligations

Nothing in this Agreement, nor Member's obligations and performance thereunder, shall affect, or require Member to take or refrain from taking any action that would affect the rights and obligations or enforceability of Member's present or future bond resolutions, tax-exempt debt covenants and financing agreements. Member shall determine in its sole discretion and judgment, in accordance with advice and opinions from its legal counsel, what actions, conduct and performance it is permitted to or must take under its bond resolutions, tax-exempt debt covenants and financing agreements. Member and SPP will meet and confer regarding the matter and, as necessary, negotiate in good faith to modify the Agreement to address the matter.

3. Compliance with State Law

Notwithstanding any other provision of this Agreement, Member shall not be required to take any action or do any other thing with respect to rates, charges, terms or conditions of service, the resolution of disputes under this Agreement or any other matter regarding its obligations and performance under this Agreement, that (a) Member is not permitted by the state law of Nebraska to undertake or that is prohibited in whole or in part by any state law or regulation of Nebraska applicable to Member; or (b) would require Member to violate a provision of such Nebraska state law or regulation in order to comply with this Agreement. Determination of compliance with and permissible action, conduct and obligations under this Section by Member shall be within the sole jurisdiction of the Member's governing board, subject to applicable state of Nebraska court review. Member shall not object to SPP's participation in any state proceedings that impact Member's ability to perform under this agreement or determinations regarding such impact. To the extent possible without violating state law, Member shall notify SPP in advance of any action that Member is required to take that Member believes would constitute a violation of Nebraska law, and Member and SPP promptly shall meet and confer regarding the matter. As necessary, Member and SPP agree to negotiate in good faith to modify the Agreement as consistent as possible with the original intent to allow SPP to exercise Operational Authority over Member's Transmission Facilities as otherwise provided in the Agreement.

4. Governing Law and Venue

Except as provided under Section No. 1, this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arkansas, provided that any court or regulatory body applying Arkansas law shall give full effect to Section 3 of this document regarding Member's obligations under Nebraska law.

5. No Waiver of Jurisdictional Immunity

Member is not subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") as a public utility under the Federal Power Act. Member shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over Member that does not otherwise exist. Any order, decision, rule or regulation issued by FERC to SPP or any other Members or Member of SPP relating to matters exempt from FERC jurisdiction under Section 201(f) of the Federal Power Act shall not apply directly or separately to Member. Without limiting the generality of the foregoing, Member shall not be bound or obligated by any FERC order, decision, rule or regulation requiring a change in the rates, terms or conditions for transmission service or compensation for utilizing the transmission facilities of Member, which conflicts with applicable state law, including any order requiring the suspension of the use of such rates, terms or conditions or the payment of refunds of rates or compensation previously collected or received. Member and SPP acknowledge that the FERC, in the context of its jurisdiction over SPP's rates, may review Member's revenue requirement and rates to the extent they comprise or affect the rates charged by SPP or other Members. If FERC does not accept Member's revenue requirement or rates, Member may terminate this Agreement pursuant to the withdrawal provisions of the Agreement and Section No. 6. In such event, Member and SPP agree to meet and confer prior to any termination of this Agreement. Nothing in this Agreement, or the participation of Member in SPP and its operations waives any objection to or otherwise constitutes a consent to, the jurisdiction by FERC that does not otherwise exist over Member or its transmission service, facilities and rates.

6. Withdrawal Rights

Member may terminate this Agreement at any time during the initial term or any extension thereof with less than the required twelve months notice, in the event that the state law governing Member changes, or any provisions of this Agreement or the provisions of SPP's OATT incorporated by reference in this Agreement are changed or modified in a manner that causes a conflict with the Member's state law, regulations, or rate schedules, and the internal dispute resolution process described in Section 12 of the OATT is unable to resolve such conflict. In such event, Member and SPP shall meet and confer to facilitate the withdrawal as soon as practicable as necessary to ensure compliance with state law.

7. Obligation to Build Conditions

The Member's governing board shall be considered to be a state regulatory authority with jurisdiction and discretionary authority to decide whether to provide regulatory approval for the construction of new transmission facilities.

8. Operational Authority Control Rights

Member reserves the right to exercise Operational Authority over Member's Tariff Facilities (1) to protect public safety and the safety of its workers, to prevent damage to equipment, and to preserve reliability in compliance with NERC standards, and (2) as necessary to preserve Member's rights, duties and obligations regarding electric service to its retail and wholesale native load customers in Nebraska pursuant to its state law and consistent with NERC standards, if SPP's exercise of Operational Authority over the Tariff Facilities would endanger said electric service or is contrary to or would curtail, surrender or delegate such state law rights, duties and obligations. Member will, as soon as reasonably practicable thereafter, notify SPP of such actions taken by Member. Member and SPP will meet and confer regarding the matter and, as necessary, negotiate in good faith to modify the Agreement to address the matter.

9. Revenue Requirements

Member shall have the right to submit to SPP for filing with FERC a fixed revenue requirement and supporting data or a rate formula template for its cost of service revenue requirements under the OATT which will be subject to periodic adjustment and approval by the governing board or agency with jurisdiction to regulate the rates of Member.

10. Grandfathered Agreements or Transactions

Grandfathered Agreements or Transactions include (1) agreements providing long-term firm transmission service and Network Integration Transmission Service executed prior to the effective date of Member's membership in the SPP; (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 of Member's membership in the SPP; (4) existing contracts entered into by Member to serve any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from Member; and (5) new contracts entered into by Member to serve any retail or wholesale electric utility customer that has a right under state law to obtain electric transmission service or energy service from Member to the extent that provision of service under the SPP OATT would not satisfy the public power district Member's obligation under state law. Member shall retain and perform any such agreements. A list of such agreements currently in effect as of the date of this Agreement is attached and may be amended by Member by providing the new agreements to SPP.

11. Transition to Network Service

The five-year Transition Period for purposes of application of Section 37 and Section 38 of the SPP OATT shall commence on the effective date of Member's membership in the SPP.

IN WITNESS WHEREOF, Member and SPP have caused their duly authorized representatives to execute these Amendments to SPP Membership Agreement for Omaha Public Power District on their respective behalves, which Amendments are fully applicable and incorporated into the Membership Agreement and together shall constitute one and the same instrument binding upon Member and SPP.

MEMBER:

Omaha Public Power District
Name of Member

Transmission Owner
Type of Entity (Transmission Owner or Non-Transmission Owner)

Dale F. Widoe
Name of Authorized Representative

Vice President
Title of Authorized Representative

Dale F. Widoe
Signature of Authorized Representative

September 15, 2008
Date of Execution

SOUTHWEST POWER POOL, INC.:

Nick Brown
Name of Authorized Representative

President - CEO
Title of Authorized Representative

Nick Brown
Signature of Authorized Representative

9/22/08
Date of Execution



RESOLUTION NO. 5705

WHEREAS, the District has been a long standing transmission owning member of the Mid-Continent Area Power Pool (MAPP); and

WHEREAS, the Midwest Independent System Operator (MISO) has given notice to end MAPP/MISO operating and reliability coordination agreements, thereby giving the District the option to join an alternate independent transmission organization offering contract services options to its members; and

WHEREAS, management's evaluation of the membership benefit options of both MISO and Southwest Power Pool (SPP) has resulted in the recommendation that SPP be selected for District membership contingent upon the successful development of a membership agreement and transition plan by Nebraska utilities and SPP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that Management is hereby authorized and directed to enter into a membership agreement with Southwest Power Pool subject to final review and approval of the membership agreement documents by the District's General Counsel.

Exhibit No. 7

IN WITNESS WHEREOF, Member and SPP have caused their duly authorized representatives to execute this Agreement on their respective behalves.

MEMBER:

Lincoln Electric System

Name of Member

Transmission Owner

Type of Entity (Transmission Owner or Non-Transmission Owner)

Terry L. Bundy

Name of Authorized Representative

LES Administrator and CEO

Title of Authorized Representative



Signature of Authorized Representative

09/15/2008

Date of Execution

SOUTHWEST POWER POOL, INC.:

Nick Brown

Name of Authorized Representative

President - CEO

Title of Authorized Representative



Signature of Authorized Representative

9/22/08

Date of Execution

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

Effective: May 1, 2004

Issued on: August 2, 2004

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT04-1-002 and ER04-48-002, issued July 2, 2004, 108 FERC ¶ 61,003.

**Amendments to SPP Membership Agreement for
Lincoln Electric System (LES)**

1. Tax Matters and Bond Covenant and Financing Agreement Obligations

Nothing in this Agreement, nor Member's obligations and performance thereunder, shall affect, or require Member to take or refrain from taking any action that would affect the rights and obligations or enforceability of Member's present bond resolutions, tax exempt debt covenants and financing agreements. Member shall determine in its sole discretion and judgment, in accordance with advice and opinions from its bond counsel, which shall be a firm of attorneys specializing in the field of municipal finance law, what actions, conduct and performance it is permitted to or must take under its bond resolutions, tax exempt debt covenants and financing agreements. Member and SPP will meet and confer regarding the matter and, as necessary, negotiate in good faith to modify the Agreement to address the matter.

2. Compliance with State Law

Notwithstanding any other provision of this Agreement, Member shall not be required to take any action or do any other thing with respect to rates, charges, terms or conditions of service, the resolution of disputes under this Agreement or any other matter regarding its obligations and performance under this Agreement, that (a) Member is not permitted by the state or applicable municipal law of Nebraska to undertake or that is prohibited in whole or in part by any state or applicable municipal law or regulation of Nebraska applicable to Member; or (b) would require Member to violate a provision of such Nebraska state or municipal law or regulation in order to comply with this Agreement. Member shall not object to SPP's participation in any state proceedings that impact Member's ability to perform under this agreement or determinations regarding such impact. To the extent possible without violating state law, Member shall notify SPP in advance of any action that Member is required to take that Member believes would constitute a violation of Nebraska law, and Member and SPP promptly shall meet and confer regarding the matter. As necessary, Member and SPP agree to negotiate in good faith to modify the Agreement as consistent as possible with the original intent to allow SPP to exercise Operational Authority over Member's Transmission Facilities as otherwise provided in the Agreement.

3. Amend SPP Membership Agreement Section 8.1 as follows:

This Agreement shall be interpreted, construed, and governed by the laws of the State of Arkansas, except to the extent preempted by the law and/or unless a court with jurisdiction rules otherwise, provided, however, that all matters relating to real property or any interest in realty shall be governed by the laws of the State wherein such real property or interest in realty is physically located and provided further, that all matters relating to corporate authority of LES shall be governed exclusively by the laws of the State of Nebraska, including specifically the provisions of the Home Rule Charter and Municipal Code of the City of Lincoln.

4. No Waiver of Jurisdictional Immunity

Member is not subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) as a public utility under the Federal Power Act. Member shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over Member that does not otherwise exist. Any order, decision, rule or regulation issued by FERC to SPP or any other Members or Member of SPP relating to matters exempt from FERC jurisdiction under Section 201(f) of the Federal Power Act shall not apply directly or separately to Member. Without limiting the generality of the foregoing, Member shall not be bound or obligated by any FERC order, decision, rule or regulation requiring a change in the rates, terms or conditions for transmission service or compensation for utilizing the transmission facilities of Member, which conflicts with applicable state law, including any order requiring the suspension of the use of such rates, terms or conditions or the payment of refunds of rates or compensation previously collected or received. Member and SPP acknowledge that the FERC, in the context of its jurisdiction over SPP’s rates, may review Member’s revenue requirement and rates to the extent they comprise or affect the rates charged by SPP or other Members. If FERC does not accept Member’s revenue requirement or rates, Member may terminate this Agreement pursuant to the withdrawal provisions of the Agreement and Section No. 6. In such event, Member and SPP agree to meet and confer prior to any termination of this Agreement. Nothing in this Agreement, or the participation of Member in SPP and its operations waives any objection to or otherwise constitutes a consent to, the jurisdiction by FERC that does not otherwise exist over Member or its transmission service, facilities and rates.

5. Withdrawal Rights

Member may terminate this Agreement at any time during the initial term or any extension thereof with less than the required twelve months notice, in the event that the state or municipal law governing Member changes, or any provisions of this Agreement or the provisions of SPP’s OATT incorporated by reference in this Agreement are changed or modified in a manner that causes a conflict with the Members state or municipal law, regulations, or rate schedules, and the internal dispute resolution process described in Section 12 of the OATT is unable to resolve such conflict. In such event, Member and SPP shall meet and confer to facilitate the withdrawal as soon as practicable as necessary to ensure legal compliance.

6. Revenue Requirements

Member shall have the right to submit to SPP for filing with FERC a fixed revenue requirement and supporting data or a rate formula template for its cost of service revenue requirements under the OATT which will be subject to periodic adjustment and approval by the governing board or agency with jurisdiction to regulate the rates of Member.

7. Transition to Network Service

The five-year Transition Period for purposes of application of Section 37 and Section 38 of the SPP OATT shall commence on the effective date of Member's membership in the SPP.

8. Amend SPP Membership Agreement Section 2.3 (b) as follows:

Collecting and distributing revenues to Member in accordance with the Transmission Tariff and other SPP documents applicable to the Transmission Tariff and approved by the Members.

9. Amend SPP Membership Agreement Section 4.3.2 (e) as follows:

The Member acknowledges and agrees that Existing Obligations include amounts that SPP expects to accrue and that will become payable by SPP between the date of Member's Notice of Termination and the Member's Termination Date, and that no part of a payment of Existing Obligations shall be refundable to the Member under any circumstances, including (except as provided in this Sections with respect to mitigation) any reduction of the Financial Obligations. Any disagreement as to the calculation of Existing Obligations shall be resolved in accordance with the dispute resolution procedures in the Bylaws.

10. Amend SPP Membership Agreement Section 8.11 as follows:

This Agreement shall not be construed, interpreted, or applied in such a manner as to cause Member to be in material breach, anticipatory or otherwise, of any agreement (in effect on the later of the Effective Date of this Agreement or the date that it becomes a Member under this Agreement) between Member and one or more third parties who are not signatories (regardless of the inclusion of one or more other Members as parties to such agreement) for the joint transmission, operation, or maintenance of any electrical facilities covered by this Agreement or the OATT. If such a conflict arises, Member shall advise the Board of Directors, but resolution remains within the sole discretion of Member; provided, however, that Member shall utilize all available remedies and informal and formal dispute resolution procedures to resolve such conflict, and provided, further, that in no event shall Member enter into a resolution of such conflict which would impair the reliability of the Electric Transmission System.

IN WITNESS WHEREOF, Member and SPP have caused their duly authorized representatives to execute this Amendments to SPP Membership Agreement for Lincoln Electric System on their respective behalves, which Amendments are fully applicable and incorporated into the Membership Agreement and together shall constitute one and the same instrument binding upon Member and SPP.

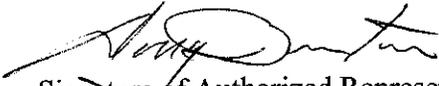
MEMBER:

Lincoln Electric System
Name of Member

Transmission Owner
Type of Entity (Transmission Owner or Non-Transmission Owner)

Doug Bantam
Name of Authorized Representative

Vice President, Power Supply
Title of Authorized Representative


Signature of Authorized Representative

09/26/08
Date of Execution

SOUTHWEST POWER POOL, INC.:

Nick Brown
Name of Authorized Representative

President; CEO
Title of Authorized Representative

Nick Brown
Signature of Authorized Representative

9/29/08
Date of Execution



LINCOLN ELECTRIC SYSTEM

LES RESOLUTION 2008-5

WHEREAS, the Southwest Power Pool (SPP) is a regional transmission organization that ensures reliable supplies of power, adequate transmission infrastructure, and competitive wholesale prices of electricity; and

WHEREAS, SPP-RTO seeks to have LES become a SPP member; and

WHEREAS, Lincoln Electric System (LES) is evaluating the functions and benefits to be derived through membership in the SPP Regional Transmission Organization as compared to LES' current participation in the Midwest Independent System Operator organization; and

WHEREAS, LES staff is evaluating a joint Memorandum of Understanding with SPP, Omaha Public Power District, and Nebraska Public Power District regarding SPP membership and recommends that it be executed when finalized.

NOW, THEREFORE, BE IT RESOLVED that the LES Administrative Board authorizes the LES Administrator and CEO to execute a Memorandum of Understanding with SPP.

BE IT FURTHER RESOLVED that the LES Administrator is also authorized to execute formal membership agreements with the SPP upon satisfactory completion of a Memorandum of Understanding and upon a staff evaluation that confirms that membership in the SPP-RTO is the best option for LES.

S/Ron D. Melbye
Chair

Adopted: May 16, 2008