

Southwest Power Pool, Inc.

REGULATORY AFFAIRS

**Regulatory Update
First Quarter 2009**

SPP Regulatory staff is currently tracking 536 cases at the state and federal levels, an increase of 45 cases since the close of the fourth quarter. Regulatory activity at the federal level increased slightly to account for 89.18% of SPP's current regulatory caseload.

An overview of significant regulatory activities arising in the first quarter of 2009 is presented below.¹ For additional information, please refer to the detailed docket status report posted on the SPP website at <http://www.spp.org/section.asp?group=646&pageID=27>.

A. SPP EHV Overlay Assessment

The latest draft, December 2008, of the SPP EHV Overlay addresses expansion in 4 phases over time with increasing assumptions regarding wind development in SPP from 3 to 21 GW. The study evaluated sensitivities to Nebraska integration into SPP with respect to an additional 2 to 5 GW of wind development in NE over the study horizon. On January 22nd, SPP hosted an EHV Overlay Webinar to review stakeholder feedback which was provided in response to the December posting of the EHV Overlay draft. Stakeholders expressed that SPP was too conservative with assumptions but were in general agreement and supportive of continued efforts. Stakeholders agreed addition of Nebraska in the analysis was a positive step and encourage staff to ensure the analysis considered all generation and not wind alone. The final conclusions was that the "core EHV Overlay is a solid plan." The EHV Overlay study "Next Steps" will be reconsidered in the upcoming weeks to account for any approved Balanced Portfolios and the results of the Synergistic Planning Process Team. The Balanced Portfolio will act as the beginning of a collector grid for the EVH Overlay and will need to be factored in accordingly. EHV Overlay data and analysis along with the most recent draft of the report is available at <http://www.spp.org/section.asp?pageID=118>.

B. Joint Coordination System Plan

April 8th, SPP joined 16 other U.S. and Canadian planning authorities in Atlanta, GA to discuss interconnection-wide transmission planning for the eastern United States. The impetus for the meeting included the Obama administration's focus on the electric grid, integration of renewable energy, and call for an interconnection-wide planning authority; the need to improve energy security and reduce dependence on foreign oil; the ongoing climate change discussion and need to reduce greenhouse gas emissions; and the call to expedite siting and construction of new transmission.

There was broad agreement among the organizations to work together and involve all interested parties in achieving an eastern interconnection-wide transmission analysis. The group's first effort will be to review and "roll up" existing regional and interregional plans, then determine where enhancements can be made based on national policy

¹ Dockets or cases with no significant activity during this period have been omitted.

direction. The group will not focus on cost allocation, siting, or energy policy; rather, its focus is coordinated, open, and transparent transmission analyses and planning. Close coordination with Canadian planning authorities will be essential.

In the next few months a steering committee and work teams will be created, objectives will identified, and analysis will begin. Dates have yet to be determined for a preliminary report and recommendations.

The JCSP'08 Report final draft has been posted at the following link, <http://www.jcspstudy.org/>. NYISO, ISO-NE and PJM concerns of certain implications and consequences over possible misuses of the report were not reconciled so these entities ultimately withdrew their support of the results.

A charter for JCSP'09 has been approved and the group was renamed the Eastern Interconnection Transmission Assessment Group (EITAG) to broaden sponsorship beyond ISO/RTO and Transmission Providers like TVA which have seams agreements that require joint coordinated system planning. DOE continues to express interest in the evolution of the EITAG and its studies to address future mandated Congestion Studies which are due in 2009 and 2012.

C. Waiver Requests

SPP recently received the following waiver requests:

1. On March 25, SPP received a request for waiver under Attachment J of the SPP Tariff for costs in excess of the Safe Harbor Cost Limit for Base Plan funding from American Electric Power Service Corporation (AEPSC) for a new Designated Resource for 15 MW from the Sleeping Bear wind farm. AEPSC is seeking a waiver for this cost above the Base Plan funding limit so that all of the allocated expenses associated with AEPSC's request is eligible for Base Plan funding. SPP's 120 day deadline under Attachment J is July 23, 2009.
2. On March 27, SPP received a request for waiver under Attachment J of the SPP Tariff for costs in excess of the Safe Harbor Cost Limit for Base Plan funding from Western Farmers Electric Cooperative (WFEC) for new Designated Resource for 19 MW from the Edison Mission Buffalo Bear wind farm. WFEC seeks approval of this waiver request base on the following: (i) WFEC has an executed power purchase agreement for an initial term of 25 years, (ii) this request meets or exceeds the qualifying criteria as outlined in Section III.C of Attachment J of the SPP OATT, and (iii) the required upgrades will support the long-term needs for additional wind resources within the Western region of SPP. SPP's 120 day deadline under Attachment J is July 24, 2009.
3. On March 27, SPP received a request for waiver under Attachment J of the SPP Tariff for costs in excess of the Safe Harbor Cost Limit for Base Plan funding for Westar Energy (WR) for a new Designated Resource for 96 MW from the Meridian Way wind farm. WR seeks approval of this waiver request base on the New Attachment J criteria for wind farms. WR acknowledges that this may expose them to direct assigned transmission costs when changing costs allocation methodologies from the previously filed method to the recently approved RSC methodology. SPP's 120 day deadline under Attachment J is July 24, 2009.

4. On March 27, SPP received a request for waiver under Attachment J of the SPP Tariff for costs in excess of the Safe Harbor Cost Limit for Base Plan funding from Westar Energy (WR) for a new Designated Resource for 100 MW from the Flat Ridge wind farm. WR seeks approval of this waiver request base on the New Attachment J criteria for wind farms. WR acknowledges that this may expose them to direct assigned transmission costs when changing costs allocation methodologies from the previously filed method to the recently approved RSC methodology. SPP's 120 day deadline under Attachment J is July 24, 2009.

SPP Staff Recommendation to MOPC

Due to the timing of these waiver requests and that the next regularly scheduled Board of Directors meeting is on July 28, 2009 SPP Staff recommends that the MOPC acknowledge that the timing of these waivers requires invoking the clause within Attachment J III. 2; unusual circumstances. This extension of time will allow SPP staff, the CAWG and stakeholders ample time to prepare and make a recommendation to the, MOPC SPP Regional State Committee (RSC) and Board of Directors in the July cycle so as to avoid the time and expense of completing these efforts out of the normal business cycle. The requested extension of time, until the July 2009 cycle, is not expected to have a material impact on the Projects.

D. Membership of Three Nebraska Entities

On January 27, 2009, FERC issued a letter order accepting SPP's November 7, 2008 Filing of revised pages of the Open Access Transmission Tariff intended to create three new pricing zones in SPP and incorporate rates charged for service provided in those zones (Docket No. ER09-254).

On April 1, 2009, SPP issued a press release stating: Today Nebraska Public Power District (NPPD), Lincoln Electric System (LES), and Omaha Public Power District (OPPD) completed their transition to membership in SPP. SPP now serves as the reliability coordinator for the Nebraska entities, and is responsible for maintaining reliable operation of the bulk electric grid in the organizations' geographic area. With the addition of NPPD, LES, and OPPD, SPP's reliability coordinator geographic footprint expanded by 30%, and its miles of transmission lines increased 16%. The number of states in which SPP manages transmission increased from seven to eight. According to SPP President and CEO Nick Brown, "The addition of the Nebraska organizations will add more diversity to SPP's generation mix and broaden our regional energy marketplace, adding value for all of our members."

E. Balanced Economic Portfolio (Docket No. ER08-1419)

On January 5, 2009, the TDU Intervenors filed a Protest. The Protest states, "TDU Intervenors do not contest the basic premise that costs of third-party upgrades legitimately and unavoidably caused by a proposed balanced portfolio must be taken into account in determining the relative costs and benefits thereof. However, it must be recognized that including these third-party costs in the calculation will make it more difficult to produce a portfolio of economic upgrades that produces benefits to (or at least imposes no costs on) each and every zone within SPP."

On January 5, 2009, Xcel Energy Services, Inc. filed a Protest on behalf of Southwestern Public Service Company. The filing states, "XES respectfully requests the Commission direct SPP to modify its December 15 Compliance Filing and direct SPP to further modify Attachment O of the SPP OATT to prescribe in more detail the mechanism for providing access to underlying transmission planning study data and to set forth specific timeframes in which SPP will provide the underlying assumptions and data to stakeholders after the posting of the Balanced Portfolio analysis, and a 90 day period for stakeholder review, so stakeholders have adequate time to review (and if necessary challenge) such information and materials in advance of any SPP committee or SPP Board of Directors action."

On January 5, 2009, Occidental Permian LTD and Occidental Power Marketing, LP filed a Motion to Intervene and Protest. Occidental requests that the Commission reject the December 15 compliance filing and convene a technical conference at which the parties can explore with SPP the issues concerning the verification of system design software results.

On January 5, 2009, Golden Spread Electric Cooperative, Inc. filed a Protest. GSEC urges the Commission to reject the December 15 compliance filing and require SPP to comply with the October 16 Order by submitting Tariff revisions that will provide customers and other stakeholders with the ability to duplicate and verify SPP's calculations of costs and benefits, and the assumptions behind those calculations. GSEC also suggests a technical conference be held.

On January 21, 2009, SPP filed an Answer to protests stating: 1) the existing tariff and compliance amendments satisfy the Commission's mandate to ensure that system design software results needed to verify the application of the assumptions used in the Balanced Portfolio production cost-benefit metrics are available; 2) the compliance filing tariff provisions are not deficient because they contain no specific timeframes for review of Balanced Portfolio study information; 3) a technical conference is unnecessary; and 4) the December 15 Filing complies with the Commission's directives regarding including third party impacts in the Balanced Portfolio Cost-Benefit Analysis.

F. FERC Audits

1. Docket No. PA08-2: RE & RTO Audit

On October 4, 2007, FERC initiated an audit concerning SPP's responsibilities as a Regional Entity (RE) and an RTO. FERC seeks to determine whether SPP is operating in compliance with the SPP Bylaws, Delegation Agreement between NERC and SPP and the conditions included in the Delegation Order, SPP Membership Agreement, transmission provider obligations described in the SPP OATT and other obligations and responsibilities as approved by the Commission.

SPP has responded to multiple data requests, phone interviews and email requests, and FERC has conducted one site visit to date, with more anticipated.

Regional Entity:

On September 8, 2008, FERC issued a draft audit report regarding the audit of the Regional Entity. On October 10, 2008, SPP filed its response to the draft audit report. A meeting with FERC is scheduled for October 31, 2008, to discuss the findings.

During the fourth quarter, SPP received and responded to a second draft audit report regarding the audit of the RE. Further response from FERC is pending. The audit regarding the RTO remains open.

On January 15, 2009, FERC issued Order Approving Audit Report, Determining Issue of Separation of Functions, and Direction Compliance and Other Corrective Actions.

SPP is directed to submit a compliance plan outlining the steps it will take to implement the recommendations in the Report within 60 days (March 16, 2009) from the date of issuance of the final report in this docket.

SPP must make non-public quarterly submissions detailing its progress in implementing corrective actions are completed. The submissions must be made not later than 30 days after the end of each calendar quarter, beginning with the first quarter after the submission of the compliance plan and continuing until SPP completes all the recommended correction actions.

FERC finds that once SPP implements the recommended improvements, the governance structure will enable “very strong” separation between its reliability and regional market functions.

SPP has submitted a Compliance Plan for the RE Audit and will begin making quarterly reports as to the status of implementation of the plan.

RTO:

A first draft report for the RTO Audit was received; SPP has submitted a response.

2. Docket No. PA08-16: SPP OASIS Audit

On January 16, 2009, SPP submitted a response stating that SPP has completed all the required corrective actions.

This audit is now closed.

G. FERC CEII Requests

Since the close of the third quarter, SPP has received 23 requests for Critical Energy Infrastructure Information (CEII) through the FERC process. SPP also continues to receive a large number of SPP map and model requests through SPP’s internal processes.

H. FERC Rulemaking Proceedings

1. Docket No. RM05-5/RM96-1: Standards Governing Business Practices and Electronic Communications for Public Utilities Developed through Consensus by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB)

On January 6, 2009, the Edison Electric Institute (EEI) submitted in Docket No. RM05-5-000 a request on behalf of electric transmission providers that the Commission issue a blanket waiver of certain North American Electric Standards Board (NAESB) business practice standards incorporated into the Commission's regulations. EEI states that the NAESB business practices require the posting of information that is inconsistent with the Commission's posting requirements under Part 358 of its regulations, as amended in Order No. 717. EEI requests that the Commission waive the requirements of WEQ-001-1.6(g)(4), version 1.4, and WEQ-002-4.5.2 and WEQ-002.4.3.10.5, version 1.4.

On February 19, 2009, NAESB submitted a report regarding its activities from August 2008 to February 2009 with respect to the adoption of Version 002.1 of the NAESB Wholesale Electric Quadrant ("WEQ") standards.

On March 12, 2009 in Docket RM05-5, NAESB submitted a supplemental report in accordance with Order Nos. 890, 890-A, 890-B and Order 676. This report includes the results of the ratification and replaces Appendix B of the February 19, 2009 Version 002.1 Wholesale Electric Quadrant ("WEQ") standards filing. The results of the ratification address NAESB business practices related to the Commercial Timing Table (WEQ-004 Appendix D). The business practices were ratified according to the NAESB procedures on March 11, 2009. The standards can be downloaded from the NAESB home page (www.naesb.org).

On March 19, 2009, FERC issued a Notice of Proposed Rulemaking. The Federal Energy Regulatory Commission (Commission) proposes to incorporate by reference in its regulations at 18 CFR 38.2 the latest version (Version 002.1) of certain business practice standards adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board (NAESB). NAESB's Version 002.1 Standards mainly modify NAESB's Version 001 Standards in response to Order Nos. 890, 890-A, and 890-B. Comments are due May 26, 2009 (see April 3, 2009 Notice of Extension of Time).

On March 30, 2009, FERC issued an Order on Requests for Waiver in RM05-5. The Commission grants waiver of the posting requirements of WEQ-002-4.5.2, version 1.4, to the extent they extend beyond the requirements of Part 358 of the Commission's regulations, as amended by Order No. 717. The Commission denies as unnecessary the request for waiver of WEQ-001-1.6(g)(4) and WEQ-002.4.3.10.5, version 1.4.

2. Docket Nos. RM05-17 & RM05-25: Order Nos. 890, 890-A & 890-B

a. **Order No. 890-A**

Pursuant to Paragraph 592 of Order No. 890-A, transmission providers have until July 14, 2008 to develop, in coordination with NERC and NAESB, a consistent set of tracking capabilities and business practices for tagging for implementation of conditional firm service.

On July 8, 2008, FERC granted NAESB's July 7, 2008 request to extend from July 14, 2008 to August 29, 2008 the time transmission providers, working through NAESB and NERC, have to develop a consistent set of tracking capabilities and business practices for tagging for implementation of conditional firm service, as required in Order No. 890-A.

b. Order No. 890-B

On June 23, 2008, the Commission issued Order No. 890-B affirming its basic determinations in Order Nos. 890 and 890-A, granting rehearing and clarification of certain revisions to its regulations and the *pro-forma* OATT adopted in Order Nos. 888 and 889.

Order No. 890-B addresses several key issues, such as the methodology for calculating ATC, the standardization of energy and generation imbalance charges, rollover rights, rules regarding the designation and undesignation of network resources, and the reporting of transmission capacity reassignments in the Electric Quarterly Reports (EQR).

Order No. 890-B became effective September 8, 2008.

RTO and ISO transmission providers, transmission providers whose facilities are in the footprint of an RTO or ISO, and WSPSP must submit an FPA section 206 filing that contains the revised non-rate terms and conditions of the *pro forma* OATT as stated in Appendix B by October 6, 2008.

On August 22, 2008, FERC issued an Order Granting Rehearing for Further Consideration regarding the June 23, 2008 Order.

On October 6, 2008 under Docket OA09-5, SPP submitted Tariff revisions incorporating specific changes to the Order 890 pro forma OATT adopted by FERC in Order 890-B. An effective date of October 6, 2008 is requested.

SPP states that its EIS Market is consistent with or superior to the pro forma Schedules 4 and 9, and declines to incorporate the revisions adopted by the Order 890-B for Schedules 4 and 9. In the May 16, 2008 Order in Docket OA08-5, the Commission concluded "that SPP's imbalance market is consistent with the Order No. 890 pro forma OATT. Accordingly, we will not require SPP to file revisions in its OATT to include the revisions to Schedule 4 and the new Schedule 9 adopted in Order No. 890."

c. Order No. 890-C

On March 19, 2009, FERC issued Order 890-C, Order on Rehearing and Clarification, in which FERC addresses rehearing requests concerning consistency and transparency of ATC calculations, as well as designation of Network Resources. FERC clarifies that it did not intend in Order No. 890-B to require transmission providers to post identical ATC values on either side of an interface in every instance and at all times. FERC also affirms in Order No. 890-C the requirement that network resources used to supply sales of system power to off-system buyers must first be undesignated. Order 890-C becomes effective **April 24, 2009** (30 days from publication in the Federal Register).

d. Order No. 890

On September 12, 2008, FERC granted an extension of time to and including February 6, 2009 for SPP to comply with the July 11, 2008 Order issued in Docket OA08-61. This

is regarding the Attachment O Revisions for Coordinated and Regional Planning Process.

On February 6, 2009, SPP submitted its Order 890 Compliance Filing pursuant to the Commission's July 11, 2008 Order. Specifically, SPP submitted revisions to Attachment O of the OATT in order to modify the transmission planning Tariff provisions.

3. Docket No. RM05-30: Rules on ERO Certification and Procedures for the Establishment, Approval and Enforcement of Mandatory Electric Reliability Standards

On January 27, 2009, FERC issued a letter order in Docket No. RM06-22. FERC accepts 12 revised and 9 new Violation Risk Factors. In addition, the Commission requires revisions to four of the new Violation Risk Factors. NERC's compliance filing is due March 30, 2009.

On February 2, 2009, FERC issued a letter order in Docket No. RM06-22. FERC approved the December 19 Filing.

On February 3, 2009 in Docket Nos. RM05-17, RM05-25, and RM06-16, NERC submitted its 2009-2011 Standards Development Plan pursuant to Section 310 of the ERO Rules of Procedure.

On February 3, 2008, NERC issued its Supplemental Compliance Filing in Docket No. RM06-16. This was in response to Paragraph 951 of Order No. 693.

On February 27, 2009, NERC submitted a petition seeking approval for Violation Severity Levels associated with Reliability Standard TOP-004-2 (Transmission Operations that was approved by Letter Order of the Commission on January 22, 2009). The TOP-004-2 Violation Severity Levels were approved by NERC Board of Trustees on February 10, 2009.

On March 6, 2009, NERC submitted its Supplemental Informational Compliance Filing in Response to Paragraph 77 of Order No. 693 in Docket No. RM06-16.

On March 11, 2009, NERC submitted a petition seeking approval for Reliability Standard BAL-004-0 (Time Error Correction).

On March 18, 2009, Midwest Independent Transmission System Operator, Inc. filed a Motion To Intervene and Comments to the Supplemental Compliance Filing of The North American Electric Reliability Corporation in Response to Paragraph 951 of Order No. 693, Docket No. RM06-16-006.

On March 19, 2009, FERC issued Order 706-B, clarifying that the facilities within a nuclear generation plant in the United States that are not regulated by the U.S. Nuclear Regulatory Commission are subject to compliance with the eight mandatory "CIP" Reliability Standards approved in Commission Order No. 706. This rule is effective March 25, 2009.

4. Docket No. RM06-23: Order No. 702 – CEII Regulations

Rehearing of Order No. 702, which amends Commission regulations for gaining access to CEII, was granted on December 31, 2007 per the request of the EEI. On November 25, 2008, FERC issued an order denying EEI's request for rehearing and clarification.

5. Docket No. RM07-3: Order No. 705 – Three New NERC Reliability Standards

On April 1, 2008, NERC made a compliance filing in response to paragraph 135 of Order No. 705. This filing was approved by the Commission on May 29, 2008.

On June 2, 2008, the Commission granted the ISO/RTO Council's January 28, 2008 request for clarification and denied the alternative request for rehearing of Order No. 705.

6. Docket Nos. RM07-19/AD07-7: Order No. 719 - Wholesale Competition in Regions with Organized Electric Markets

On October 17, 2008, FERC issued a Final Rule in Order 719. The primary areas addressed in the order are: (1) demand response and pricing during periods of operating reserve shortage in organized markets; (2) long-term power contracting in organized markets; (3) market monitoring policies; and (4) responsiveness of RTOs and ISOs to customers and other stakeholders. The effective date of the Final Rule was December 28, 2008. SPP's compliance filing is due on **April 28, 2009**.

SPP Staff worked primarily with the MWG and RTWG to ensure compliance through development of positions and drafting tariff language. A recommendation of proposed Tariff revisions was made before MOPC on April 14, 2009. A special Board of Directors Teleconference is being held April 20, 2009 to discuss the recommendation from MOPC.

7. Docket No. RM08-3: Order No. 716 - Proposed Reliability Standard for Nuclear Plant Interface Coordination (NUC-001-1)

On October 16, 2008, FERC issued Order No. 716. Pursuant to section 215 of the Federal Power Act (FPA), the Commission approves the Nuclear Plant Interface Coordination Reliability Standard developed by the North American Electric Reliability Corporation (NERC). In addition, pursuant to section 215(d)(5) of the FPA, the Commission directs NERC to develop a modification to the Reliability Standard to address a specific concern. The Reliability Standard requires a nuclear plant generator operator and its suppliers of back-up power and related transmission and/or distribution services to coordinate concerning nuclear licensing requirements for safe nuclear plant operation and shutdown and system operating limits. The Commission also approves four related definitions for addition to the NERC Glossary of Terms, and directs various changes to proposed violation risk factors, which measure the potential impact of violations of the Reliability Standard on the reliability of the Bulk-Power System. The Final Rule became effective on November 26, 2008.

On November 17, 2008, the North American Electricity Reliability Corporation (NERC) filed a compliance filing, requiring NERC to submit a timeline for developing and filing a modification to Requirement R9.3.5 of Reliability Standard NUC-001-1, pursuant to paragraph 107 of the Commission's Order No. 716.

On December 17, 2008, FERC issued an Order Granting Rehearing for Further Consideration.

On January 16, 2009, FERC issued a letter order accepting NERC's November 17 Filing.

On February 19, 2009, FERC issued a Final Rule and Order on Rehearing. In this order, the Commission denies the New York Independent System Operator, Inc.'s request for rehearing of Order No. 716, Mandatory Reliability Standard for Nuclear Plant Interface Coordination. In Order No. 716, the Commission approved as mandatory and enforceable the Nuclear Plant Interface Coordination Reliability Standard proposed by the North American Electric Reliability Corporation.

8. Docket No. RM08-7: Modification of Interchange and Transmission Loading Relief Reliability Standards and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards

On July 21, 2008, FERC issued final rule in Order No. 713. FERC made improvements to grid reliability by modifying five Reliability Standards, approved in 2007, related to interchange scheduling and coordination and approved NERC's interpretation of five specific requirements of Commission-approved reliability standards. FERC also is asking for explanation on a sixth modified standard related to transmission load relief (TLR).

On September 11, 2008, NERC submitted a compliance filing in response to Paragraph 50 of Order No. 713.

On March 19, 2009, FERC issued Order 713-A, approving Reliability Standard IRO-006-4, submitted to the Commission for approval by the North American Electric Reliability Corporation (NERC). The rule is effective **April 23, 2009** (30 days after publication in the Federal Register). In addition, pursuant to section 215(d)(5) of the FPA, the Commission directs NERC to develop modifications to Reliability Standard IRO-006-4 to address specific Commission concerns.

9. Docket No. RM08-11: Version Two Facilities Design, Connections and Maintenance Reliability Standards

On October 16, 2008, FERC issued a NOPR.

Pursuant to section 215 of the Federal Power Act, the Commission is proposing to approve three revised Reliability Standards developed by the North American Electric Reliability Corporation (NERC), which the Commission has certified as the Electric Reliability Organization responsible for developing and enforcing mandatory Reliability Standards. The three revised Reliability Standards, designated by NERC as FAC-010-2, FAC-011-2 and FAC-014-2, set requirements for the development and communication of system operating limits of the Bulk-Power System for use in the planning and operation horizons.

Comments were due on November 24, 2008 (30 days after publication in federal register).

On March 20, 2009, FERC issued Order No. 722, Final Rule on Version Two Facilities Design, Connections and Maintenance Reliability Standards. The Final Rule is effective **April 29, 2009**.

10. Docket No. RM08-19: Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System

On March 19, 2009, FERC issued a Notice of Proposed Rulemaking for Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System.

Comments are due **May 26, 2009** (30 days after publication in the Federal Register).

I. FERC Administrative Proceedings

1. Docket No. AD08-2: SPP Status Report – Improvement of Interconnection Queuing Practices

On March 20, 2008, the Commission issued an Order on Technical Conference directing that each RTO and Independent System Operator (ISO) file a status report with the Commission regarding their efforts to improve the processing of their interconnection queues.

On April 21, 2008, SPP submitted a Status Report in response to the Order on Technical Conference issued March 20, 2008.

SPP continues to experience an unexpected and unprecedented level of activity in its generation interconnection queue. A record number of requests are presently being processed and a record number of requests are expected to be received in calendar year 2008.

2. Docket No. AD08-7: Notice of Inquiry (NOI) - Annual Charges Assessment for Public Utilities

On April 21, 2008, FERC issued a NOI seeking comments on whether its current methodology for assessing electric annual charges to public utilities remains fair and equitable, as well as alternative methodologies.

The ISO/RTO Council filed Joint Comments on May 28, 2008 and Joint Reply Comments on July 3, 2008, requesting that FERC reevaluate its annual charge regulations and adopt a methodology that mitigates the discriminatory impacts associated with the current methodology.

The ISO/RTO Council contends, among other things, that FERC can reform its present methodology to eliminate undue discrimination without assessing Wholesale Power

Sales and that reliability program costs are properly assessed to all users, owners, and operators of the grid.

3. Docket No. AD08-9: Review of Wholesale Electricity Markets

On July 1, 2008, FERC hosted a conference to review the state of regional wholesale electricity markets.

SPP President and CEO Nick Brown and Richard Dillon, SPP Director of Market Development and Analysis, participated on behalf of the SPP RTO.

Presentation materials from this conference are available in the FERC Online eLibrary.

4. Docket No. AD08-13: Transmission Barriers to Entry

On October 14, 2008, the Commission held a Technical Conference regarding Transmission Barriers to Entry.

On November 13, 2008, SPP filed comments noting that barriers include inadequate Seams Agreements are a barrier to long distance transmission projects and that the delay in studies of transmission requests by adjacent transmission providers can act as a barrier to transmission development.

Numerous parties filed comments.

5. Docket No. AD09-4: Integrating Renewable Resources into the Wholesale Electric Grid

On March 2, 2009, FERC held a technical conference regarding integrating renewable resources into the wholesale electric grid. Nick Brown spoke at the technical conference on SPP's behalf.

J. FERC Policy

Docket No. PL09-4: Smart Grid Policy – Proposed Policy and Action Plan

On March 19, 2009, FERC issued a Proposed Policy Statement and Action Plan on the Smart Grid Policy. Comments are due **May 11, 2009**.

This proposed policy statement and action plan provides guidance to inform the development of a smarter grid for the Nation's electric transmission system focusing on the development of key standards to achieve interoperability of smart grid devices and systems. The Commission also proposes a rate policy for the interim period until interoperability standards are adopted. Smart grid investments that demonstrate system security and compliance with Commission-approved Reliability Standards, the ability to be upgraded, and other specified criteria will be eligible for timely rate recovery and other rate treatments. This rate policy will encourage development of smart grid systems.

K. FERC ERO Rules & Organizational Filings

Docket No. RR06-1: NERC Filing of Version 5 Reliability Standards;
Docket No. RR06-3: 2007 Business Plan and Budget, & Budgets of Regional Entities; &
Docket Nos. RR07-1 thru RR07-8: Regional Entity Delegation Agreements²

On July 21, 2008, NERC submitted its compliance filing pursuant to the Commission's March 21, 2008 Order in Docket Nos. RR06-1-012 and RR07-1-002 through RR07-8-002.

NERC's compliance filing consists of a revised Amended and Restated *Pro Forma* Delegation Agreement with the Regional Entities, a revised NERC Compliance Monitoring and Enforcement Program document (including revised Attachment 2, Hearing Procedures), revised Amended and Restated Delegation Agreements with each of the Regional Entities, and revisions to the NERC Rules of Procedure in compliance with the March 21, 2008 Order.

On December 19, 2008, FERC issued an Order Accepting Compliance Filings (July 21, August 28, and September 30, 2008), subject to conditions, to become effective on January 3, 2009. NERC is directed to submit a compliance filing by February 17, 2009.

Within the December 19 Order, the agreement between NERC and SPP is accepted, subject to revision. NERC and SPP must provide further explanation regarding the new bylaw provision generally assuring that participation in SPP Regional Entity activities is open to the public and does not require membership in SPP, Inc. is consistent with other provisions of SPP bylaws and the SPP Regional Entity Standards Development Process Manual that identify particular SPP Regional Entity functions and activities that are conducted by SPP Inc. membership-based committees.

Also in the December 19 Order, NERC and SPP are directed to revise Exhibit E, section 5 to establish separate accounts for payment of statutory and non-statutory expenses. Lastly, FERC ads that final determination regarding adequacy between RE and RTO functions will continue to remain pending until the results of the audit are complete.

On January 7, 2009, FERC issued an Errata Notice correcting paragraph 55 of the December 19 Order. "Notice of Alleged Violation" is changed to read "notice of penalty."

On January 21, 2009, SPP filed a Request for Rehearing (Docket No. RR07-6), which seeks rehearing of the Commission's directive that the SPP Regional Entity must pay all of its statutory expenses out of the separately maintained account for the Regional Entity rather than reimbursing SPP for shared expenses.

On January 21, 2009, the Canadian Electricity Association filed a Request for Clarification, or in the Alternative, Rehearing of the Commission's December 19, 2008 Order. FERC rejected certain language modifications proposed by CEA to NERC's Compliance Monitoring and Enforcement Program ("CMEP"). CEA is asking for reconsideration.

² Due to the overlap in content, these dockets are being presented together.

On January 21, 2009, SPP filed a Request for Rehearing, which seeks rehearing of the Commission's directive that the SPP Regional Entity must pay all of its statutory expenses out of the separately maintained account for the Regional Entity rather than reimbursing SPP for shared expenses.

On January 30, 2009, NERC submitted its Quarterly Report regarding analysis of reliability standards voting results for October to December 2008.

On February 13, 2009, SPP filed a Motion for Stay of certain provisions of the December 19 Order. Specifically, SPP seeks a stay of the Commission's directive in the December 19 Order that the SPP Regional Entity must pay all of its statutory expenses out of the separately maintained account for the Regional Entity rather than reimbursing SPP for shared expenses.

On February 17, 2009, NERC submitted its compliance filing pursuant to the December 19, 2008 Order.

On February 17, 2009, FERC issued a letter order accepting NERC's November 21, 2008 filing.

On February 18, 2009, FERC issued an Order Granting Rehearing for Further Consideration of the December 19, 2008 Order.

On March 9, 2009, the Transmission Agency of Northern California ("TANC") submitted Comments asking that FERC require NERC to revise Figure 6.1 contained in the February 17 Filing. TANC states that the revised Figure 6.1 does not address the Commission's directives to conform to the directed revisions in section 6.5 of the December 19 Order.

On March 18, 2009, NERC filed a Motion to Answer and Answer to Comments on Compliance Filing in Response to the December 19, 2008 Order. NERC submitted revisions to Figure 6.1.

On March 25, 2009, FERC issued an Order on Rehearing, which grants rehearing of the December 19 Order regarding the directive that SPP revise Exhibit E, section 5 of the SPP Delegation Agreement to establish separate accounts for payment of statutory and non-statutory expenses between the SPP Regional Entity and the SPP RTO. The Commission finds that with the proper implementation of their directives that they need not, at this time, require SPP to establish a new account.

L. FERC Electric Rate Filing & Other Formal Filings of Interest

1. Docket Nos. EL05-148 & ER05-1410: Settlement concerning PJM's Reliability Pricing Model (RPM) Program

On December 12, 2008, PJM submitted its Report on Stakeholder Process, regarding the efforts of PJM and its stakeholders to address various changes to the RPM are discussed.

On January 9, 2009, PPL Companies filed an Answer to Report of PJM Interconnection, LLC on Stakeholder Process.

On January 9, 2009, Public Power Association of New Jersey, the Blue Ridge Power Agency, and the Pennsylvania Public Utility Commission filed Protest regarding Load Forecast to be used in May 2009 RPM Auction.

During the month of January, several parties filed Comments regarding the December 12 Filing.

On March 26, 2009, FERC issued an Order Accepting Tariff Provisions in Part, Rejecting Tariff Revisions in Part, Accepting Report, and Requiring Compliance Filings. PJM is required to make a compliance filing by April 27, 2009 to update its tariff provisions with regard to the MOPR values. PJM's waiver request is granted regarding the provisions of the PJM Tariff so as to enable Load Serving Entities to obtain certification by May 1, 2009 (rather than March 2, 2009) of the load management capability that such Load Serving Entities seek to qualify as ILR for the 2009-2010 Delivery Year.

2. Docket No. EL07-73/ER07-319: SPP Energy Imbalance Service (EIS) Market Compliance Filing – Violation Relaxation Limits (VRLs)

On February 5, 2009, SPP submitted a status report pursuant to the June 29, 2007 Order. SPP advised that the active parties have reached a settlement and anticipates that a settlement offer will be filed prior to March 15, 2009.

On February 24, 2009, SPP filed an Offer of Settlement and Stipulation.

On March 16, 2009, Westar Energy, Inc. and Kansas Gas and Electric Company submitted comments regarding the Offer of Settlement.

On March 27, 2009, SPP filed reply comments addressing the issues raised by Westar Energy, Inc. and Kansas Gas and Electric Company concerning the Offer of Settlement submitted by SPP on February 27, 2009.

The clarifications requested by Westar and agreed to by SPP and the active parties are as follows:

- With respect to Article 2, Section B. 3. b. of the Settlement: SPP and the active parties agree that the language ". . . *following approval by the MWG*" is not intended to and does not prejudice or pre-suppose automatic approval by the MWG, but is properly understood to mean "if approved by the MWG."
- With respect to Article 2, Section B. 3. d. of the Settlement: SPP and the active parties agree that SPP stakeholders will be invited to participate in an open process to develop and discuss the cooperative efforts and the lessons learned from the initiatives described in this section. To the extent these open discussions result in Violation Relaxation Limit ("VRL") mitigation solutions, the solutions will be shared with all SPP stakeholders. Any VRL mitigation solutions that require Protocol Revisions or Tariff changes shall commence if so approved by SPP stakeholders and accepted by the Commission.

On March 30, 2009, Westar Energy, Inc. and Kansas Gas and Electric Company submitted Reply Comments Regarding SPP's Offer of Settlement. The filing states that, with the clarifications offered in SPP's March 27 Filing, Westar does not oppose

approval of the Stipulation provided that such approval incorporates the clarifications set forth in SPP's reply comments.

3. Docket No. EL08-31: Westar's Petition for a Declaratory Order to Confirm Incentive Rate Treatment for High Voltage Transmission Projects

On December 2, 2008, FERC issued a letter order accepting the Settlement Agreement and terminating Docket Nos. EL08-31 and ER08-396. Westar is to make a compliance filing by January 2, 2009 in order to correct rate schedule sheets to be in conformance with Order No. 614.

On December 31, 2008, Westar Energy submitted a compliance filing pursuant to the December 2, 2008 Order. Westar submitted revised paginations and cancellations for certain sheet numbers. An effective date of October 1, 2008 is requested.

On February 12, 2009, Westar submitted a revised Attachment H-1.

On March 24, 2009, FERC issued a letter order accepting the December 31 filing, effective October 1, 2008.

4. Docket No. EL08-59: ConocoPhillips Complaint against Entergy Services, Inc. (Entergy)

On April 24, 2008, ConocoPhillips filed a complaint against Entergy, alleging that Entergy violated its OATT and Commission policy by terminating two firm transmission service reservations.

Entergy filed an Answer on May 14, 2008, stating that the agreements were terminated because the transmission system became oversubscribed and that the request should not have been granted.

SPP moved to intervene in this proceeding on May 14, 2008.

On June 2, 2008, SPP filed a Limited Response, stating that the reservations would not have been granted if the software had functioned properly and that the ICT's decision to terminate reservations was driven by real-time reliability concerns.

On July 24, 2008, FERC granted relief requested by Conoco in part. FERC finds that the termination of Conoco's confirmed, firm transmission service was improper. NRG Companies' requests that the Commission investigate the cause of Entergy's software error and the alleged continued overselling and increased curtailments at the Entergy-Ameren interface are denied.

On August 25, 2008, SPP filed a Request for Rehearing. SPP specifically states that it considered all alternatives following the oversell of capacity on the Ameren interface, including offering customers the right to terminate all or any portion of their transmission reservations. Only as a last resort did SPP implement the annulment of those reservations that were improperly granted due to software error.

On August 25, 2008, Entergy filed a Request for Rehearing or Clarification.

On September 8, 2008, Conoco filed a Request for Leave to File Answer, and Answer.

On September 23, 2008, Entergy files an Answer requesting Commission to grant rehearing or clarification of the July 24, 2008 Order.

On September 24, 2008, FERC issued an Order Granting Rehearing for Further Consideration.

5. Docket Nos. ER03-765, ER07-371 & ER08-807: Proposed Revisions to Schedule 2 of the SPP OATT - Reactive Compensation

On April 8, 2008, SPP filed proposed revisions to Schedule 2 of SPP's Tariff. The proposed revisions serve to: (1) reincorporate language providing for the recognition by SPP of new generators as Qualified Generators (QGs) throughout the year; (2) clarify that new generators must apply to SPP for QG status; and (3) clarify that QGs will be compensated for providing reactive power at the beginning of the first month after SPP acceptance of the generation owner's application.

FERC accepted SPP's April 8, 2008 filing by letter order on June 4, 2008. An effective date of March 1, 2007 was granted for revision number one, above. An effective date of June 7, 2008 was granted for the remaining revisions.

On September 19, 2008, AEP filed a Petition for Review with the United States Court of Appeals for the District of Columbia Circuit. The Petition for Review relates to the orders issued by the Commission on November 19, 2007, and August 28, 2008, in Docket ER03-765.

6. Docket Nos. ER06-20 & EC06-4: Independent Transmission Operator (ITO) Semi-Annual Report

The semi-annual report is required by FERC's orders approving the establishment of the ITO and section 12.1.2 of the ITO Agreement in LG&E/KU's Tariff.

On September 26, 2008, SPP, as the ITO for the LG&E and KU systems, submitted the ITO Semi-Annual Report. This covers the period of March 1, 2008 through August 31, 2008.

7. Docket Nos. ER06-451, et al.: SPP EIS Market Implementation

On August 13, 2008 in Docket ER06-451, SPP filed an informational status report concerning its incorporation of demand-side resources into its EIS Market.

On September 23, 2008, SPP submitted to FERC a compliance filing in Docket No. ER08-340-001 containing revised tariff sheets relating to the Energy Imbalance Market. Specifically, the May 21 Filing revised SPP's OATT provisions allowing external resources to participate in SPP's real-time energy imbalance service market. SPP submits revisions to Section 2(j) and 2(m) of Attachment AO to more closely paraphrase the language of the April 21 Order.

On October 17, 2008, FERC issued a letter order accepting the May 21 and September 23 compliance filings, effective on or before February 1, 2009, upon notice by SPP, as requested.

On February 27, 2009, SPP filed an informational status report concerning its incorporation of demand response into SPP Markets and Planning (Docket No. ER06-451).

8. Docket No. ER07-1069: AEP Filing of Revised *Pro-forma* Tariff Sheets to Update AEP's Transmission Service Rates & Institute a Formula Rate

On January 23, 2009, FERC issued an Order Establishing Settlement Conference for February 10, 2009.

On February 10, 2009, FERC issued a Notice Adopting Procedural Schedule. The deadline for submission of the final settlement agreement is February 27, 2009. If a settlement agreement is not submitted on February 27, the parties will adhere to the procedural schedule set forth in the notice.

On February 23, 2009, AEP submitted an Offer of Settlement.

On February 25, 2009, AEP submitted a Motion for Interim Rates and Request for Expedited Action.

On February 27, 2009, an Order of Chief Judge Shortening Time to Answer shortened the time to answer to and including March 4, 2009.

On March 5, 2009, an Order of Chief Judge Granting Motion for Interim Rate Relief was issued. AEP is authorized to institute the interim rates to become effective March 1, 2009, and remain effective until the earlier of either the final resolution of this proceeding or June 30, 2009.

On March 10, 2009, Initial Comments of Commission Trial Staff in Support of Settlement Agreement were issued.

On March 20, 2009, the Commission issued a Certification of Uncontested Settlement. The settlement proceeding is terminated, as the Settlement Agreement resolves all issues.

On March 20, 2009, SPP filed a Motion for Interim Rates and Request for Expedited Action. An effective date of March 1, 2009 is requested.

On March 25, 2009, FERC issued an Order of Chief Judge Granting Motion to Interim Rates. SPP is authorized to institute the interim rates to become effective March 1, 2009, and remain effective until the earlier of either the final resolution of this proceeding or June 30, 2009.

9. Docket No. ER08-281: Oklahoma Gas & Electric Company (OG&E) Formula Rate Case

On April 24, 2008, the Commission issued a letter order accepting OG&E's March 3, 2008 Formula Rate compliance filing.

Settlement conferences were held on July 8 and August 20, 2008. The September 26, 2008 settlement conference was cancelled. It will be rescheduled.

On October 17, 2008, SPP made a ministerial filing to incorporate the rates into SPP's OATT. An effective date of July 1, 2008 is requested. A separate docket number will be assigned.

Settlement conferences were held on October 28-29 and November 17-18, 2008.

On November 24, 2008, a Report to the Commission and Chief Judge was issued. The parties are in process of drafting a settlement agreement.

Settlement procedures still continue.

10. Docket No. ER08-313: Southwestern Public Service Company (SPS) Formula Rate Case (Consolidated with the following NITSA filings: ER08-923, ER08-1307, ER08-1308, ER08-1357, ER08-1358, ER08-1359)

On July 2, 2008, the Commission issued an order consolidating Docket Nos. ER08-923 and ER08-313. (SPP moved to intervene out-of-time in this proceeding on January 11, 2008.)

The Commission suspended the Network Integration Transmission Service Agreements between SPS and two SPS network customers, Golden Spread Electric Cooperative, Inc. and South Plains Electric Cooperative, Inc.

FERC also accepted the proposed revised Agreements for filing, suspended them for a nominal period, made them effective July 6, 2008, as requested, subject to refund, and set the issues raised for hearing and settlement judge procedures.

On July 25, 2008 in Docket No. ER08-1307, SPP filed with FERC an executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and Southwestern Public Service Company as Network Customer, as well as an executed Network Operating Agreement between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner. SPP Service Agreement No. First Revised 1277. An effective date of July 6, 2008 is requested. This agreement replaces SA No. 1277 filed in EQR only.

On July 25, 2008 in Docket ER08-1308, SPP filed with FERC an executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and Southwestern Public Service Company as Network Customer, as well as an executed Network Operating Agreement between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner. SPP Service Agreement No. Second Revised 543. An effective date of July 6, 2008 is requested. This agreement supersedes the agreement filed in ER06-578.

On August 1, 2008, Golden Spread Electric Cooperative, Inc. filed a Request for Rehearing. On August 15, 2008, Golden Spread filed a Motion to Intervene, Protest and Motion to Summarily Reject Filing, in the Alternative, Motion to Consolidate.

On August 5, 2008 in Docket No. ER08-1357, SPP filed with FERC a partially executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and Golden Spread Electric Cooperative, Inc. as Network Customer, as well as a partially executed Network Operating Agreement between SPP as Transmission Provider, Golden Spread as Network Customer and Southwestern

Public Service Company as Host Transmission Owner. SPP Service Agreement No. First Revised 1172. An effective date of July 6, 2008 is requested. This agreement replaces SA No. 1172 filed in EQR only.

On August 5, 2008 in Docket No. ER08-1358, SPP filed with FERC an executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and Southwestern Public Service Company as Network Customer, as well as a partially executed Network Operating Agreement between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner. SPP Service Agreement No. First Revised 1139. An effective date of July 6, 2008 is requested. This agreement supersedes the agreement filed in ER05-1208.

On August 5, 2008 in Docket No. ER08-1359, SPP filed with FERC an executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and Southwestern Public Service Company as Network Customer, as well as a partially executed Network Operating Agreement between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner. SPP Service Agreement Number First Revised 1138. An effective date of July 6, 2008 is requested. This agreement supersedes the agreement filed in ER05-1200.

A formal settlement conference was held on August 21, 2008.

On September 2, 2008, FERC issued an order Granting Rehearing for Further Consideration in ER08-313.

On September 2, 2008 Southwest Power Pool, Inc. submitted to FERC an Answer To Protests and Requests For Rejection in Docket No. ER08-1307.

On September 5, 2008, Southwest Power Pool, Inc. submitted to FERC an Answer To Protests And Requests For Rejection under Docket No. ER08-1308.

On September 10, 2008, Southwest Power Pool, Inc. submitted to FERC an Answer To Protest And Request For Rejection in Docket No. ER08-1357, ER08-1358 and ER08-1359.

On September 23, 2008, FERC issued an Order accepting and suspending the service agreement and consolidating the ER08-1307 and ER08-1308 proceedings with ER08-923 and ER08-313 (an existing SPS Formula Rate proceeding).

On September 30, 2008, Xcel Energy Service, on behalf of Southwestern Public Service Company submitted an informational filing explaining SPS' efforts to determine which of its facilities are "transmission facilities," and the applicable transmission service rates as required by Attachment AI to the SPP OATT.

On October 1, 2008, FERC issued a letter order "Consolidating Dockets, Accepting and Suspending Service Agreements, and Establishing Hearing and Settlement Judge Procedures." In this order, FERC consolidated dockets ER08-1357, ER08-1358, and ER08-1359, along with ER08-313, ER08-923, ER08-1307, ER08-1308.

On October 23, 2008, Golden Spread Electric Cooperative filed a Request for Rehearing.

On October 24, 2008, the Commission granted Xcel's Request for Clarification and Intervenor's Request for Rehearing in Docket ER08-313.

On November 19, 2008, Golden Spread Electric Cooperative filed a Motion to Intervene, Protest, Motion to Reject, or, in the Alternative, Motion to Consolidate Docket Nos. ER09-162 and ER08-313.

On November 21, 2008, FERC issued an Order Granting Rehearing for Further Consideration.

A Settlement Conference was held on January 28, 2009. Another settlement conference is scheduled for April 14, 2009.

11. Docket No. ER08-396: Westar Formula Rate Case – Rates Effective June 1, 2008

On September 26, 2008, Westar Energy submitted a settlement offer.

Also on September 26, SPP and Westar submitted a Motion for Interim Rate Relief and Request for Expedited Action, requesting the Commission to act no later than October 10, 2008.

On September 29, 2008, the Order of Chief Judge Shortening Time to Respond and Motion for Interim Rate Relief was issued. Time to respond was shortened to and including September 30, 2008.

On October 1, 2008, the Order of Chief Judge Granting Motion for Interim Rate Relief was issued. The order states, "Westar is hereby authorized, pursuant to section 35.1(e) of the Commission's regulations, 18 C.F.R. § 35.1(e) (2007), to institute the interim rates to become effective on October 1, 2008. In the event the Commission does not approve the Settlement Agreement, Westar and SPP have the right to reinstate the ER08-396-000 Rates and to implement credits or offsets through the true-up process under the protocols accepted by the Commission in Docket No. ER05-925-000."

On October 16, 2008, the Commission Trial Staff issued Initial Comments on Uncontested Settlement, recommending that the settlement be approved.

On October 21, 2008, FERC issued a Certification of Uncontested Settlement. This order terminates docket nos. ER08-396 and EL08-31.

On October 22, 2008, an Order of Chief Judge Terminating Settlement Judge Procedures was issued.

On December 2, 2008, FERC issued a letter order accepting the Settlement Agreement and terminating Docket Nos. EL08-31 and ER08-396. Westar is to make a compliance filing by January 2, 2009 in order to correct rate schedule sheets to be in conformance with Order No. 614.

On December 31, 2008, Westar Energy submitted a compliance filing pursuant to the December 2, 2008 Order. Westar submitted revised paginations and cancellations for certain sheet numbers. An effective date of October 1, 2008 is requested.

On February 12, 2009, Westar submitted a revised Attachment H-1.

On March 24, 2009, FERC issued a letter order accepting the December 31 filing, effective October 1, 2008.

12. Docket No. ER08-513: Entergy's Filing of Proposed Revisions to Attachment V – Weekly Procurement Process

On October 10, 2008, FERC issued a letter order accepting the August 29, 2008 filing, effective October 10, 2008. Entergy is directed to file a Software Development Progress Report by January 11, 2009, if the Weekly Procurement Process implementation filing is not made by then.

On January 16, 2009, Entergy submitted its compliance filing in accordance with the May 5, 2008 Order.

On February 23, 2009, Entergy submitted an Answer in response to the protests and comments regarding its January 16 compliance filing.

Also on February 23, SPP filed a Motion for Leave to File Answer and Answer to the comments and protests regarding the January 16 compliance filing. SPP states: 1) the Commission should reject the calls to re-evaluate the ICT arrangement and the requests to deny the proposed structural changes to the Weekly Procurement Process (“WPP”); 2) the Commission should deny the request to delay WPP implementation, consolidate Entergy’s Attachment V filings, and set this case for hearing.

On February 27, 2009, Southwest Power Pool, Inc. as the ICT for Entergy submitted its final endorsement for the start-up of the WPP.

On March 17, 2009, FERC issued an Order Conditionally Accepting Compliance Filing, subject to the outcome of the proceeding in Docket ER09-555.

13. Docket No. ER08-777: Westar Formula Rate Revisions – Effective June 1, 2008

On April 1, 2008, Westar submitted revisions to its Formula Rate, as set forth in Attachment H-1 to Westar’s OATT, to provide for the recovery of operation and maintenance (O&M) expenses incurred to repair and restore its transmission system after severe property damage caused by ice storms in December 2007.

SPP moved to intervene in this proceeding on April 22, 2008.

On May 29, 2008, the Commission conditionally accepted revisions to Westar’s Formula Rate, to become effective June 1, 2008, as requested.

Westar submitted the required compliance filing on June 13, 2008.

On July 7, 2008, KEPCO filed Comments requesting clarifications to be made to tariff sheets.

On August 28, 2008, FERC issued an order conditionally accepting compliance filing, effective June 1, 2008. Westar was directed to submit a compliance filing with 15 days. Westar must include a note in its tariff either stating that all future storm damage reserves are subtracted from rate base until they are applied to offset transmission property damage expenses or indicating that the reserves are placed in an external escrow account with the earnings accruing to the reserves booked to Account 228.1.

On September 12, 2008, Westar submitted its compliance filing pursuant to the August 28, 2008 Order.

On January 29, 2009, FERC issued an Order Conditionally Accepting Tariff Filing. The Commission states that Westar's proposed Note S revision fails to comply with the Commission's August 28 Order. The Commission directed Westar to "include a note in its tariff...stating that all future storm damage reserves are subtracted from rate base until they are applied to offset transmission property damage expenses." The order goes on to state, "We find Kansas Electric Cooperative's proposed sentence: "[a]ll future accruals of storm damage reserves will be subtracted from rate base until they are applied to offset storm damage expenses" satisfies the August 28 Order requirement. We direct Westar to include such language in a compliance filing 15 days from the date of issuance of this order." Westar's compliance filing is due February 13, 2009.

On February 12, 2009, Westar submitted a revised Attachment H-1.

14. Docket No. ER08-995: External Generator Participation in the EIS Market

On May 21, 2008, SPP submitted proposed Tariff Revisions to effectuate a short delay of the scheduled implementation of provisions allowing external resources to participate in SPP's EIS Market until a date on or before February 1, 2009.

SPP will notify the EIS Market participants 30 days in advance of the implementation date and will inform the Commission of the implementation date following the effective date.

On July 15, 2008 FERC accepted SPP's Filing to become effective on or before February 1, 2009, upon notice to the Commission. Because SPP's filing did not include revised tariff sheet Nos. 1225, 1226 and 1228 pending in Docket No. ER08-340, these tariff sheets will continue to reflect the old effective date until the pending tariff sheets are accepted by the Commission.

On September 23, 2008, SPP submitted to FERC a compliance filing in Docket No. ER08-340-001 containing revised tariff sheets relating to the Energy Imbalance Market. Specifically, the May 21 Filing revised SPP's OATT provisions allowing external resources to participate in SPP's real-time energy imbalance service market. SPP submits revisions to Section 2(j) and 2(m) of Attachment AO to more closely paraphrase the language of the April 21 Order.

On October 17, 2008, FERC issued a letter order accepting the May 21 and September 23 compliance filings, effective on or before February 1, 2009, upon notice by SPP, as requested.

On February 2, 2009, SPP submitted a Notification of Effectiveness of Tariff Revisions Related to External Generator Participation in SPP Energy Imbalance Market.

15. Docket No. ER08-1006: Entergy Mississippi, Inc. Amendments to the Amended and Restated Interconnection and Operating Agreement with Southaven Power, LLC

On May 23, 2008, Entergy Mississippi, Inc. submitted amendments to the Amended and Restated Interconnection and Operating Agreement with Southaven Power, LLC.

Entergy Mississippi, Inc. filed a Motion for Deferral of Commission Action on June 10, 2008.

On June 23, 2008, the Commission issued an order requiring additional information in order to evaluate the amended agreement.

SPP moved to intervene in this proceeding on June 23, 2008.

The amendments to the Southaven Agreement are intended to implement the results of the Retrospective Generation Interconnection Analysis (RGIA) conducted by SPP as the ICT.

On July 25, 2008, Entergy submitted a response to data request pursuant to the letter from FERC dated June 23, 2008.

On September 10, 2008, Entergy submitted a Motion for Continued Deferral of Commission Action.

On November 24, 2008, Entergy submitted an updated Appendix H to the Amended and Restated Interconnection and Operating Agreement.

On January 14, 2009, FERC issued a letter order accepting the amended IOA effective November 25, 2008 as requested.

This order constitutes final agency action.

16. Docket No. ER08-1371: Westar Energy, Inc. Changes to Pricing Zone Rates – Effective June 1, 2008

On August 7, 2008, SPP submitted Changes to Pricing Zone Rates for Westar Energy, Inc.

On August 22, 2008, SPP submitted to FERC an amendatory filing in Docket No. ER08-1371. The filing was modified to account for the repayment of the Base Plan Funded Credits to the Redbud Plan.

On October 15, 2008, Southwest Power Pool, Inc. submitted to FERC an Amendatory Filing and Request for Expedited Action and Shortened Notice Period.

On October 28, 2008, FERC issued a letter order conditionally accepting effective June 1, 2008, subject to the outcome of the hearing and settlement judge procedures in Docket No. ER08-396.

17. Docket No. ER08-1380: SPP Bylaws Revisions

On August 8, 2008, SPP submitted revised pages to its Bylaws intended to incorporate the modifications that have been accepted by the Commission in Docket Nos. RR07-6-000 and 002, as well as the Bylaws modifications submitted by the North American Electric Reliability Corporation (NERC) in its July 21, 2008 filing in Docket No. RR07-6-004 (July 21 Filing). SPP requests effective dates of May 18, 2007, April 5, 2008, and the date the Commission assigns the Bylaws revisions in the July 21 Filing, respectively, for these revisions.

Golden Spread Cooperative, Inc. filed a Motion to Intervene on August 28, 2008.

On October 6, 2008, FERC issued a letter order. The changes are conditionally accepted in part, and rejected in part, as noted in the order and are effective May 18, 2007 and April 5, 2008, consistent with previous Commission orders. SPP must file, within 30 days of the date of this order, a filing correcting several items. .

On November 3, 2008, SPP submitted revised pages of its Bylaws intended to comply with the October 6, 2008 Order.

On February 12, 2009, FERC issued a letter order accepting the bylaw revisions effective May 18, 2007 and April 5, 2008, consistent with previous Commission orders.

This order constitutes final agency action.

18. Docket No. ER08-1549: SPP Filing of Pricing Zone Rate Changes for Public Service Company of Oklahoma (PSO) and SWEPCO

On September 17, 2008, SPP submitted changes to Pricing Zone Rates intended to implement a rate change for PSO and SWEPCO. An effective date of February 1, 2008 is requested.

On November 10, 2008, FERC issued a letter order conditionally accepting the filing effective February 1, 2008, subject to the outcome of the proceeding in Docket No. ER07-1069.

19. Docket No. ER09-35: Tallgrass Transmission, LLC Formula and Incentive Rate Case

On October 3, 2008, Tallgrass Transmission, LLC submits a request for acceptance of a formula rate and rate incentives for its investment in a major 765 kV transmission project (the "Tallgrass Project") that Tallgrass intends to build in SPP's region.

On October 24, 2008, SPP filed a Motion to Intervene.

Numerous parties filed Motions to Intervene and Protests.

On December 2, 2008, FERC issued an Order Consolidating Docket Nos. ER09-35 and ER09-36, Granting Rate Incentives, Conditionally Accepting Tariff Revisions, and Establishing Hearing and Settlement Judge Procedures.

On December 10, 2008, FERC issued an Order of Chief Judge designating David H. Coffman as the Settlement Judge, and scheduling the first Settlement Conference on January 6, 2009.

On December 18, 2008, FERC issued an order rescheduling the January 6 settlement conference. It will now be held on January 8, 2009.

On January 2, 2009. Arkansas Electric Cooperative Corporation and Golden Spread Electric Cooperative, Inc. filed a Request for Rehearing of the December 2 Order.

A Settlement Conference was held on January 8, 2009.

On January 9, 2009, FERC issued an Order Scheduling Settlement Conferences. Settlement conferences will be held on February 4, February 24, and March 10, 2009.

On February 2, 2009, FERC issued an Order Granting Rehearing for Further Consideration of its December 2 Order.

On March 6, 2009, FERC issued an Order Cancelling Settlement Conference to be held on March 10, 2009.

20. Docket No. ER09-36: Prairie Wind Transmission, LLC Formula and Incentive Rate Case

On October 3, 2008, Prairie Wind Transmission, LLC submits a request for acceptance of a formula rate and rate incentives for its investment in a major 765 kV transmission project (the "Prairie Wind Project") that Prairie Wind intends to build in SPP's region.

On October 24, 2008, SPP filed a Motion to Intervene.

Numerous parties filed Motions to Intervene and Protests.

On December 2, 2008, FERC issued an Order Consolidating Docket Nos. ER09-35 and ER09-36, Granting Rate Incentives, Conditionally Accepting Tariff Revisions, and Establishing Hearing and Settlement Judge Procedures.

On December 10, 2008, FERC issued an Order of Chief Judge designating David H. Coffman as the Settlement Judge, and scheduling the first Settlement Conference on January 6, 2009.

On December 18, 2008, FERC issued an order rescheduling the January 6 settlement conference. It will now be held on January 8, 2009.

On January 2, 2009. Arkansas Electric Cooperative Corporation and Golden Spread Electric Cooperative, Inc. filed a Request for Rehearing of the December 2 Order.

A Settlement Conference was held on January 8, 2009.

On January 9, 2009, FERC issued an Order Scheduling Settlement Conferences. Settlement conferences will be held on February 4, February 24, and March 10, 2009.

On February 2, 2009, FERC issued an Order Granting Rehearing for Further Consideration of its December 2 Order.

On March 6, 2009, FERC issued an Order Cancelling Settlement Conference to be held on March 10, 2009.

21. Docket No. ER09-89: Oklahoma Gas and Electric Company Formula Rate Case

On December 19, 2008, FERC issued a letter order conditionally accepting the rate change, effective July 1, 2008, subject to refund, a compliance filing (due in 30 days), and the outcome of the hearing and settlement procedures in ER08-281. SPP is directed to submit a compliance filing by January 19, 2009. The filing must include OG&E's formula rate template and must remove the data populating that formula.

On January 16, 2009, SPP submitted the compliance filing pursuant to the December 19, 2008 Order.

On March 24, 2009, FERC issued a letter order approving the changes effective July 1, 2008, subject to refund and outcome of the OG&E Rate Proceeding in Docket No. ER08-281.

22. Docket No. ER09-90: PSO and SWEPCO Formula Rate Case

On December 16, 2008, FERC issued a letter order conditionally accepting the October 17 filing and nominally suspending the filing to be effective July 1, 2008, subject to refund and subject to outcome of Docket No. ER07-1069-000. SPP is directed to submit a compliance filing by January 15, 2009. The order states: "We also note that SPP included in the revised Tariff pages revisions to the unpopulated formula rate template to reflect the data inputs for the annual update at issue. When the Commission approves a formula rate, it approves the formula itself, which becomes the filed rate, not the specific data inputs used to update rates pursuant to the formula. Accordingly, we direct SPP to submit a compliance filing within 30 days of the date of this order that includes AEP's formula rate template and removes the data populating that formula."

On January 13, 2009, SPP submitted the compliance filing pursuant to the December 16, 2008 Order.

On February 12, 2009, FERC issued a letter order accepting the January 13 filing, effective July 1, 2008 as requested.

This order constitutes final agency action.

23. Docket No. ER09-162: Southwestern Public Service Company Formula Rate Case

On October 29, 2008, SPP submitted an Amendment to Pricing Zone and Base Plan Rates intended to amend the rate charges for SPS that were accepted by FERC in Docket No. ER08-472 on March 21, 2008. An effective date of July 6, 2008 is requested.

On November 19, 2008, West Texas Municipal Power Agency filed a Motion to Intervene and Limited Protest.

On November 19, 2008, Farmers' Electric Cooperative, Lea County Electric Cooperative, Central Valley Electric Cooperative, and Roosevelt County Electric Cooperative filed a joint Motion to Intervene, Protest and Request for Condition.

On November 19, 2008, Golden Spread Electric Cooperative filed a Motion to Intervene, Protest, Motion to Reject, or, in the Alternative, Motion to Consolidate Docket Nos. ER09-162 and ER08-313.

On November 24, 2008, Xcel Energy Services, Inc. filed a Motion to Intervene Out of Time and Comments.

On November 25, 2008, SPP filed an Answer to Protests and Requests for Rejection.

On December 22, 2008, FERC issued an order conditionally accepting and nominally suspending the filing to be effective July 6, 2008, subject to refund and to the outcome of Docket No. ER08-313-000, et al. SPP must submit a compliance filing by January 21, 2009 which includes SPS' formula rate template and removes the data populating that formula.

On January 16, 2009, SPP submitted its compliance filing pursuant to the December 22, 2008 Order.

24. Docket No. ER09-255: Nebraska Public Power District Revenue Requirement Formula Rate

On November 7, 2008 SPP submitted testimony and exhibits to implement a revenue requirement formula rate for transmission service using the facilities of Nebraska Public Power District ("NPPD") once NPPD becomes a member of SPP and transfers operational control of its transmission facilities to SPP. Also included are testimony and exhibits supporting NPPD's zonal loss factor, grandfathered agreements, and list of facilities to be transferred to SPP's functional control. An effective date of April 1, 2009 is requested.

On January 27, 2009, FERC issued a letter order accepting the November 7 Filing, effective April 1, 2009 as requested.

25. Docket No. ER09-256: Omaha Public Power District Revenue Requirement Formula Rate

On November 7, 2008 SPP submitted testimony and exhibits to implement a revenue requirement formula rate for transmission service using the facilities of Omaha Public Power District ("OPPD") once OPPD becomes a member of SPP and transfers operational control of its transmission facilities to SPP. Also included are testimony and exhibits supporting OPPD's zonal loss factor, grandfathered agreements, and list of facilities to be transferred to SPP's functional control. An effective date of April 1, 2009 is requested.

On January 27, 2009, FERC issued a letter order accepting the November 7 Filing, effective April 1, 2009 as requested.

26. Docket No. ER09-257: Lincoln Electric System Revenue Requirement Formula Rate

On November 7, 2008 SPP submitted testimony and exhibits to implement a revenue requirement formula rate for transmission service using the facilities of Lincoln Electric System ("LES") once LES becomes a member of SPP and transfers operational control of its transmission facilities to SPP. Also included are testimony and exhibits supporting LES' zonal loss factor, grandfathered agreements, and list of facilities to be transferred to SPP's functional control. An effective date of April 1, 2009 is requested.

On January 27, 2009, FERC issued a letter order accepting the November 7 Filing, effective April 1, 2009 as requested.

27. Docket No. ER09-414: Aquila Withdraw from MISO

On December 15, 2008, Aquila, Inc. submitted a filing requesting acceptance of, and authorization for, Aquila's withdrawal from the MISO TOA. An effective date of November 8, 2008 is requested. Aquila is to transition to full participation in SPP.

On January 12, 2009, SPP and Midwest ISO Transmission Owners filed Motions to Intervene.

Also on January 12, the Midwest Independent Transmission System Operator, Inc. filed a Protest. The Protest states, "WHEREFORE, the Midwest Independent Transmission System Operator, Inc., respectfully requests that the Commission: (1) determine that Aquila's withdrawal request is subject to the requirements of Article Five, Section II of the TOA or, alternatively, determine that Article Seven requires Aquila's financial obligations to the Midwest ISO to be established as a pre-condition for its withdrawal from the TOA; (2) establish a process for determining Aquila's exit fee, as set forth in Section III.C of this Protest; and (3) grant all other relief that may be appropriate or necessary."

On January 30, 2009, Aquila and MISO notified the Commission that as of January 21, they reached an agreement in principle resolving all outstanding issues raised in MISO's January 12 protest.

On March 4, 2009, Aquila and MISO submitted a supplement to Aquila's December 15, 2008 request to withdraw from the MISO Transmission Owners Agreement. This supplement consists of an executed settlement agreement between the Parties to resolve the issues raised by the MISO protest and request for relief submitted by MISO on January 12, 2009.

28. Docket No. ER09-468: SPP and Midwest ISO Revisions to Joint Operating Agreement and Congestion Management Process

On December 19, 2008, Midwest ISO and SPP submitted revisions to the JOA and CMP as part of the RTO's 2008 initiative to update their JOA. This is Midwest ISO Rate Schedule No. 6 and SPP Rate Schedule No. 9.

An effective date of February 19, 2009 is requested.

On January 9, 2009, Exelon Corporation filed a Motion to Intervene.

On February 12, 2009, FERC issued a letter order accepting the revisions, effective February 19, 2009 as requested.

This order constitutes final agency action.

29. Docket No. ER09-495: Ministerial Tariff Revisions to Rate Formula Template for Westar Energy, Inc.

On December 31, 2008, SPP submitted revised pages to its OATT to implement certain ministerial tariff revisions to the Rate Formula Template for Westar Energy, Inc. SPP requests an effective date of January 1, 2009 for these ministerial tariff revisions to coincide with the effective date requested by Westar's December 30 filing in Docket No. ER09-481.

On February 26, 2009, FERC issued a letter order accepting the revisions effective January 1, 2009 as requested.

This order constitutes final agency action.

30. Docket No. ER09-548: ITC Great Plains, LLC's Application for acceptance of a formula rate to establish a revenue requirement for transmission service over facilities that ITC will own in the SPP region

On January 15, 2009, ITC Great Plains, LLC submitted its application for acceptance of a formula rate to establish a revenue requirement for transmission service over facilities that ITC will own in the SPP region. The formula rate will be used to recover the revenue requirement associated with the company's initial assets: the Elm Creek and Flat Ridge Substations. An effective date of 60 days after filing, or upon the closing of the acquisition of the Elm Creek and Flat Ridge Substations by ITC Great Plains, whichever occurs later, is requested.

On February 4, 2009, Xcel Energy Services, Inc. filed a Motion to Intervene.

On February 5, 2009, SPP, Occidental Chemical Company, and Western Farmers Electric Cooperative filed Motions to Intervene.

On February 5, 2009, Kansas Corporation Commission, Arkansas Electric Cooperative Corporation, Golden Spread Electric Cooperative, East Texas Electric Cooperative, Northeast Texas Electric Cooperative, and Tex-La Electric Cooperative of Texas filed Motions to Intervene and Protests.

On February 19, 2009, Sunflower Electric Power Corporation and Mid-Kansas Electric Company filed a Joint Motion to Intervene Out-of-Time.

On February 20, 2009, ITC Great Plains filed a Motion for Leave to Answer and Answer.

On March 6, 2009, Occidental submitted a request for the Commission to deny the February 19 Motion to Intervene Out-of-Time. Occidental states that the Movants have

failed to demonstrate good cause for their late intervention, and their Motion contains an unauthorized answer.

On March 6, 2009, Occidental filed an Answer in Opposition to Motion for Leave to Answer and Answer of ITC Great Plains, LLC or, Alternatively, Motion for Leave to Reply and Reply of Occidental Permian LTD., Occidental Power Marketing, L.P. and Occidental Chemical Corporation.

On March 9, 2009, Arkansas Electric Cooperative Corporation and Golden Spread Electric Cooperative, Inc. filed a Motion for Leave to Answer and Answer, asking for an evidentiary hearing and for settlement procedures to be instituted.

On March 16, 2009, FERC issued an Order Granting In Part and Denying In Part Rate Incentives, Conditionally Accepting Tariff Revisions, and Establishing Hearing And Settlement Procedures.

A settlement conference was held on April 2, 2009.

31. Docket No. ER09-555: Entergy Services, Inc. Filing of Proposed Revisions to Attachment V of Entergy's Open Access Transmission Tariff ("OATT")

On January 16, 2009, Entergy Services, Inc. submitted proposed revisions to Attachment V of Entergy's OATT. Attachment V includes the terms and conditions that will apply to the Weekly Procurement Process ("WPP") being implemented as part of the package of changes establishing SPP as the ICT for the Entergy system. In this filing, Entergy proposes to amend Attachment V to (a) limit supplier offers in the WPP to on-peak period and (b) eliminate WPP point-to-point transmission service. Entergy also is proposing conforming changes to Attachment S, Attachment T, and Parts I, II, and III of its OATT.

On February 23, 2009, SPP filed a Motion for Leave to File Answer and Answer to the comments and protests regarding the January 16 compliance filing. SPP states: 1) the Commission should reject the calls to re-evaluate the ICT arrangement and the requests to deny the proposed structural changes to the WPP; 2) the Commission should approve the ICT's planned approach for calculating savings resulting from the WPP; 3) the Commission should deny the request to delay WPP implementation, consolidate Entergy's Attachment V Filings, and set this case for hearing.

On March 17, 2009, FERC issued an Order Conditionally Accepting Weekly Procurement Process

Amendments and Ordering Further Compliance Filings. Energy is directed to make compliance filings on April 16 (informational filing detailing WPP start-up costs incurred) and May 1, 2009 (providing information with regard to the specific problems that prevent it from accommodating off-peak bids and point-to-point transmission). ICT is ordered to file its first quarterly report on WPP operation and savings as an informational filing no later than **June 15, 2009**, and each subsequent quarterly report every three months thereafter. In addition, Entergy is required to file a compliance filing one year prior to the expiration of the ICT agreement (November 17, 2009), detailing its intentions of a replacement arrangement or a continuation of the ICT arrangement.

32. Docket No. ER09-659: SPP Filing of an Executed Letter Agreement Regarding Inter-Regional Planning between SPP and Entergy Services, Inc. (Entergy Seams Agreement)

On February 6, 2009, SPP submitted an executed Letter Agreement Regarding Inter-Regional Planning between SPP and Entergy Services, Inc. Under the Letter Agreement, the Parties will form a Joint Planning Committee comprised of representatives from the Parties to oversee the transmission planning activities set forth in the Principles Governing Regional Planning that are attached to the Letter Agreement.

An effective date of April 8, 2009 is requested.

On February 9, 2009, SPP filed an Amendatory Filing correction two inadvertent errors in the February 6 Filing: 1) The Letter Agreement should have been designated "Original Rate Schedule FERC No. 11", instead of "FERC Electric Tariff, Rate Schedule No. 11"; 2) Section 1.5.3.2 of the "Principles Governing Regional Planning" contained an inadvertent reference to "Regional Participants" that should have read "stakeholders."

On February 13, 2009, Entergy Services, Inc. filed a Motion to Intervene.

On February 18, 2009, Arkansas Public Service Commission filed a Motion to Intervene.

On February 27, 2009, American Electric Power Service Corporation, et al., filed a Motion to Intervene and Comments. The parties state: 1) a comprehensive seams agreement is needed; 2) SPP's and Entergy's Planning Criteria and Construction Procedures should be coordinated; 3) the Commission should establish a timeline for completion of a comprehensive seams agreement between SPP and Entergy.

Also on February 27, Union Power Partners, L.P. filed a Motion to Intervene and Protest, Lafayette Utilities System filed a Motion to Intervene, and Lafayette Utilities System and Arkansas Electric Cooperative Corporation filed Joint Comments.

Also on February 27, East Texas Electric Cooperative, Sam Rayburn G&T Electric Cooperative, and Tex-La Electric Cooperative of Texas filed a Joint Motion to Intervene and Comments.

On March 2, 2009, Arkansas Public Service Commission submitted Comments. The Commission states that the February 6 filing is a step forward, but falls short in adequately responding to Commission directives regarding regional planning.

33. Docket No. ER09-758: SPP Filing of Several Proposed Amendments to its Membership Agreement

On February 25, 2009, SPP submitted proposed amendments to its Membership Agreement. Specifically, SPP proposes to modify the Membership Agreement to state expressly that Members who are not otherwise subject to Commission jurisdiction as a public utility will not become subject to the Commission's jurisdiction by their membership in SPP. Likewise, Members will not be required by the Membership Agreement to take any action that would trigger Commission jurisdiction that does not otherwise exist, and non-jurisdictional Members may terminate the Membership Agreement if the Commission does not accept their revenue requirements or rates.

An effective date of April 27, 2009 is requested.

On March 17, 2009, American Electric Power Service Corporation filed a Motion to Intervene.

On March 18, 2009, Golden Spread Electric Cooperative filed a Motion to Intervene and Conditional Protest. Golden Spread protests proposed section 3.0(h).

On March 18, 2009, Western Farmers Electric Cooperative filed a Motion to Intervene and Comments. WFEC states that section 3.11 on waiver of jurisdictional immunity and section 3.12 on compliance with state law require changes in order to be just and reasonable.

On March 18, 2009, the East Texas Cooperatives filed a Motion to Intervene and Request for Clarification, which requests clarification of Section 3.10 addressing the rights of a non-jurisdictional Transmission Owner to file its revenue requirements with the Commission. They suggest that SPP should clarify that non-jurisdictional transmission owners retain the unilateral right to file rates with the commission without first having to submit the rates to SPP.

On March 18, 2009, Dogwood Energy, LLC filed a Motion to Intervene and Comments, which asks that Section 3.12 be modified to state that it applies to only non-jurisdictional utilities.

On April 2, 2009, SPP filed an Answer to Comments stating: 1) Golden Spread protested language already accepted by the Commission; 2) the proposed revisions adequately protect the status of non-jurisdictional members; 3) the proposed revisions to the Membership Agreement are not intended to limit the rights of non-jurisdictional utilities; 4) the proposed amendments are not intended to confer rights or immunities that do not otherwise exist.

34. Docket No. ER09-791: Changes to Westar's Formula Rate Template

On March 3, 2009, SPP filed revised pages to its OATT to implement changes to the formula rate template for Westar Energy, Inc., which is a transmission owner and pricing zone under the SPP Tariff. SPP submitted this filing to track the rate changes filed by Westar on April 1, 2008, June 13, 2008, and February 12, 2009, and requests an effective date of June 1, 2008. The rates submitted in this filing are intended to be effective from June 1, 2008, per Westar's April 1 Filing, until December 31, 2008.

35. Docket No. ER09-916: SPP Submits an Executed Agreement Establishing External Generation Non-Physical Electrical Interconnection Point between SPP, KCP&L Greater Missouri Operations Company ("KCP&L GMO") as the Source Balancing Authority, Westar Energy, Inc. ("Westar") as the Sink Balancing Authority, and Dogwood Energy, LLC ("Dogwood") as Market Participant

On March 30, 2009, SPP filed an executed Agreement Establishing External Generation Non-Physical Electrical Interconnection Point between SPP, KCP&L Greater Missouri Operations Company ("KCP&L GMO") as the Source Balancing Authority, Westar

Energy, Inc. (“Westar”) as the Sink Balancing Authority, and Dogwood Energy, LLC (“Dogwood”) as Market Participant. SPP Service Agreement No. 1774.

An effective date of June 1, 2009 is requested.

36. Docket No. ER09-928: SPP Submits an Executed Agreement for Sponsored Upgrade between SPP and Oklahoma Gas and Electric Company (“OG&E”)

On March 31, 2009, SPP filed an executed Agreement for Sponsored Upgrade between SPP and Oklahoma Gas and Electric Company. SPP Service Agreement No. 1764.

This upgrade includes approximately 120 miles of 345 kV line consisting of bundled 1590 ACSR conductor on steel poles from the OG&E Northwest 345 kV substation located northwest Oklahoma City to a new 345 kV section of the OG&E Woodward District EHV substation near Woodward, Oklahoma. Additionally, a 3-breaker switching station is to be installed at approximately one-half of the distance between Oklahoma City and Woodward, Oklahoma.

An effective date of March 1, 2009 is requested.

37. Docket No. EL09-40: Section 206 Proceeding to Determine the Justness and Reasonableness of Certain Language in Section 2.2 of SPP’s Existing OATT

On March 19, 2009, FERC issued an Order on Compliance Filing in OA08-5 and instituted a Section 206 Proceeding in order to determine the justness and reasonableness of certain language in section 2.2 of SPP’s existing OATT, establishes a refund effective date, and directs SPP and interested parties to file comments on this matter by **April 17, 2009**. Reply comments are due May 18, 2009.

The refund effective date in Docket No. EL09-40-000, established pursuant to section 206(b) of the Federal Power Act, shall be the date of publication in the *Federal Register*.

M. SPP Tariff Filings

1. Docket No. OA08-5: SPP Order 890 Compliance Filing - Unreserved Use Penalty, Penalty Revenues & Attachment C Revisions regarding the Methodology to Assess Available Transfer Capability (ATC)

On May 16, 2008, the Commission issued an order accepting SPP’s October 11, 2007 compliance filing, as modified. SPP was directed to revise the unreserved penalty charge to bring it into line with FERC precedent and submit a one-time compliance filing within 30 days wherein SPP must propose a methodology for distributing revenues. SPP must also modify Attachment C and R of the Tariff.

On June 16, 2008, SPP filed a request for rehearing on the May 16 Order requesting that the Commission grant rehearing of its determination that SPP must revise Attachment C to provide a clear definition for total transfer capability (TTC), a detailed explanation of its TTC calculation methodology, as well as a list of the databases used to calculate TTC.

On June 16, 2008, SPP submitted a compliance filing pursuant to the May 16 Order. SPP revised the unreserved use penalty in Section 13.7 and 14.5. SPP also removed language from various sections in its Tariff providing that penalty revenues will be used to reduce SPP's administrative costs, incorporated language referencing NERC's TLR Procedures into Attachment R, and re-incorporated the Commission's previous rollover policy into Section 2.2 of its Tariff. An effective date of October 11, 2007 is requested.

On July 16, 2008, FERC granted SPP's request for rehearing of the May 16 Order.

On August 11, 2008, SPP submitted a compliance filing pursuant to the May 16 Order. SPP is incorporating its rollover policies that were adopted by Order 890. An effective date of August 11, 2008 is requested.

On March 19, 2009, FERC issued an Order on Compliance Filing and Instituting Section 206 Proceeding (see Docket No. EL09-40). In this order, the Commission accepts SPP's proposed tariff revisions adopting the Order No. 890 *pro forma* OATT's five-year minimum contract term and one-year notice period related to a firm transmission customer's ongoing right to renew or rollover its contract effective August 11, 2008. Additionally, as discussed below, the Commission institutes a proceeding pursuant to section 206 of the Federal Power Act (FPA) to determine the justness and reasonableness of certain language in section 2.2 of SPP's existing OATT, establishes a refund effective date, and directs SPP and interested parties to file comments on this matter within 30 days of the issuance date of this order (April 17, 2009).

Also on March 19, FERC issued an Order on Rehearing and Compliance Filing. The Compliance Filing is accepted, as modified, effective October 11, 2007. SPP must submit a compliance filing by April 20, 2009, to remove section 2.4 of Attachment C.

2. Docket No. OA08-61: SPP Order No. 890 Compliance Filing – Attachment O Revisions for Coordinated and Regional Planning Process

On February 6, 2009, SPP submitted its Order 890 Compliance Filing pursuant to the Commission's July 11, 2008 Order. Specifically, SPP submitted revisions to Attachment O of the OATT in order to modify the transmission planning Tariff provisions.

On February 26, 2009, Arkansas Public Service Commission filed a Motion to Intervene.

On February 27, 2009, ITC Great Plains, LLC filed a Protest. ITC states that SPP's filing fails to comply with the Commission's direction since "SPP will continue to rely upon a potentially open-ended right of first refusal to determine who has the right to construct new transmission, and has compound this violation of longstanding Commission precedent by proposing new qualifications on entities that may construct transmission in SPP, some of which would be contained in SPP Business Practices not filed with this Commission."

Also on February 27, Oklahoma Gas and Electric Company filed Comments. OG&E states that, "[t]he tariff revisions filed by SPP represent significant compromises made by all stakeholders, including OG&E, and should be approved as a reasonable balancing of interests of the existing SPP transmission owners, third-transmission owners, and the affected state commissions."

Also in February 27, Missouri Joint Municipal Electric Utility Commission, West Texas Municipal Power Agency, and Kansas Power Pool filed a Motion to Intervene and Protest. The parties state, "...SPP's proposed Tariff revisions fail to eliminate SPP's proposed right of first refusal for incumbent SPP transmission owners."

Also in February 27, Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC filed a Joint Motion to Intervene.

On March 13, 2009, Western Farmers Electric Cooperative filed a Motion to File Protest Out-of-Time and Protest. WFEC respectfully protests the provision in section VIII.6 of Attachment O proposed by SPP concerning the obligation of a Designated Transmission Owner to construct SPP-approved facilities if the original Designated Transmission Owner is unable or unwilling to do so.

On March 16, 2009, SPP filed an Answer to comments, stating: 1) Attachment O appropriately balances the interests of all stakeholders; 2) TDU Intervenors and ITC strain the meaning of the July 11 Order and suggest confusion where none exists; 3) Attachment O does not provide open-ended discretion for Transmission Owners, as ITC claims; 4) Attachment O satisfies dual obligations of providing an open process and ensuring that needed transmission is built; 5) ITC's suggested revisions are redundant and raise issues beyond the scope of this proceeding

3. Docket No. OA08-75: Entergy Compliance Filing Incorporating Order No. 890-A's Non-rate Terms and Conditions into Entergy's OATT

On March 17, 2008, Entergy submitted a compliance filing incorporating Order No. 890-A's non-rate terms and conditions into Entergy's Third Revised Volume No. 3 OATT. An effective date of July 13, 2007 is requested.

Revised versions of Attachments C, D, and E will be submitted in a separate filing upon the conclusion of the stakeholder process.

SPP moved to intervene in this docket on April 7, 2008.

On April 22, 2008, Entergy filed a Motion for Leave to File Answer and Answer in response to Joint Protests filed on April 7, 2008, by (1) the Louisiana Energy and Power Authority, the Lafayette Utilities System, the Municipal Energy Agency of Mississippi (collectively, the "L-M Municipals") and (2) the Mississippi Delta Energy Agency and its members, the Clarksdale Public Utilities Commission and the Public Service Commission of Yazoo City, Mississippi (collectively, "MDEA").

Commission action is pending.

4. Docket No. OA08-76: E.ON U.S. Order 890-A Compliance Filing – Description of Transmission Provider Responsibilities, Attachments C & K Revisions, & Proposal of a New Schedule 13 (Unreserved Use Penalty)

On March 17, 2008, E.ON U.S., on behalf of LG&E and KU, submitted revisions to the LG&E/KU OATT in compliance with requirements of Order No. 890-A.

E.ON has further revised the LG&E/KU OATT to delineate responsibilities of the "Transmission Provider" under Order Nos. 890 and 890-A which have been delegated to

LG&E/KU, the ITO, and the Tennessee Valley Authority (TVA) as the Reliability Coordinator. E.ON has also made certain “discretionary” changes to Attachments C and K to the LG&E/KU OATT in accordance with the directives of Order No. 890-A. E.ON has also proposed a new Schedule 13 to the OATT to implement unreserved use penalties as required by Order Nos. 890 and 890-A. An effective date of March 17, 2008 is requested.

On April 8, 2008, SPP, acting as the ITO, filed a Motion for Leave to Intervene Out of Time.

On January 9, 2009, FERC issued a letter order accepting the March 17, 2008 filing.

On February 9, 2009, E.ON U.S. LLC submitted its compliance filing revising its Attachment C, pursuant to the January 9 Order.

5. Docket No. OA08-104: SPP Order 890-A Compliance Filing Revising the SPP Tariff with Limited Departures from the Order No. 890-A Pro Forma

On April 15, 2008, SPP submitted Tariff Revisions incorporating specific changes to the Order No. 890 *pro forma* OATT adopted by the Commission in Order 890-A. SPP has not incorporated certain *pro forma* OATT reforms related to conditional firm service, planning redispatch service, energy imbalance and generator imbalance, and unreserved use penalties. An effective date of April 15, 2008 is requested.

Several parties have moved to intervene in this proceeding.

On May 21, 2008, SPP filed an Answer to Protests and Requests for Modification, in which SPP contends that SPP is not required to adopt Conditional Firm Service because SPP has a Real-Time EIS Market.

Commission action is forthcoming.

6. Docket No. ER08-1419: “Balanced Portfolio” for Economic Upgrades Filing

On October 16, 2008, FERC unanimously voted to approve SPP’s filing, and issued an Order Accepting Tariff Revisions, as Modified.

On December 17, 2008, FERC issued an Order Granting Rehearing for Further Consideration.

On January 5, 2009, the TDU Intervenors filed a Protest. The filing states, “TDU Intervenors do not contest the basic premise that costs of third-party upgrades legitimately and unavoidably caused by a proposed balanced portfolio must be taken into account in determining the relative costs and benefits thereof. However, it must be recognized that including these third-party costs in the calculation will make it more difficult to produce a portfolio of economic upgrades that produces benefits to (or at least imposes no costs on) each and every zone within SPP.”

On January 5, 2009, Xcel Energy Services, Inc. filed a Protest on behalf of Southwestern Public Service Company. The filing states, “XES respectfully requests the Commission direct SPP to modify its December 15 Compliance Filing and direct SPP to further modify Attachment O of the SPP OATT to prescribe in more detail the

mechanism for providing access to underlying transmission planning study data and to set forth specific timeframes in which SPP will provide the underlying assumptions and data to stakeholders after the posting of the Balanced Portfolio analysis, and a 90 day period for stakeholder review, so stakeholders have adequate time to review (and if necessary challenge) such information and materials in advance of any SPP committee or SPP Board of Directors action.”

On January 5, 2009, Occidental Permian LTD and Occidental Power Marketing, LP filed a Motion to Intervene and Protest. Occidental requests that the Commission reject the December 15 compliance filing and convene a technical conference at which the parties can explore with SPP the issues concerning the verification of system design software results.

On January 5, 2009, Golden Spread Electric Cooperative, Inc. filed a Protest. GSEC urges the Commission to reject the December 15 compliance filing and require SPP to comply with the October 16 Order by submitting Tariff revisions that will provide customers and other stakeholders with the ability to duplicate and verify SPP's calculations of costs and benefits, and the assumptions behind those calculations. GSEC also suggests a technical conference be held.

On January 21, 2009, SPP filed an Answer to protests stating: 1) the existing tariff and compliance amendments satisfy the Commission's mandate to ensure that system design software results needed to verify the application of the assumptions used in the Balanced Portfolio production cost-benefit metrics are available; 2) the compliance filing tariff provisions are not deficient because they contain no specific timeframes for review of Balanced Portfolio study information; 3) a technical conference is unnecessary; and 4) the December 15 Filing complies with the Commission's directives regarding including third party impacts in the Balanced Portfolio Cost-Benefit Analysis.

7. Docket No. ER09-149: EIS Market Improvements

On October 28, 2008, Southwest Power Pool, Inc. submitted to FERC revisions to its tariff to improve its real-time energy imbalance service market. This includes six revisions to Attachment AE.

An effective date of December 27, 2008 is requested.

On December 18, 2008, FERC issued a letter order conditionally accepting the tariff revisions, effective December 27, 2008. A compliance filing was due January 19, 2009 (proposal must be consistent with the rights of qualifying facilities (QFs) under PURPA.

On January 21, 2009, SPP filed a Request for Clarification of the December 18 Order. SPP states that: "...as a result of two Commission orders, including the December 18 Order, the Commission has created uncertainty regarding SPP's ability to address imbalance charges arising from the operations of a Qualifying Facility ("QF") selling its output under the Public Utility Regulatory Policies Act of 1978 ("PURPA") to another Market Participant." SPP also states: "...the Commission should clarify that the December 18 Order permits SPP to amend its Tariff to allocate any imbalance charges associated with the QF generation to the utility purchasing the QF generation under PURPA."

On January 21, 2009, SPP submitted a compliance filing pursuant to the December 18 Order. Specifically, SPP is incorporating provisions clarifying that a Qualifying Facility (“QF”) under PURPA that SPP registers as a Market Participant in SPP’s real-time energy imbalance services market will not be required to participate in the EIS Market or subjected to any charges related to the EIS Market. An effective date of December 27, 2008 is requested.

On February 11, 2009, Xcel Energy Services, Inc. submitted a protest regarding SPP’s January 21 compliance filing.

On February 12, 2009, AEP filed a Motion to Intervene Out-Of-Time and Protest and Motion to Deny request for Clarification.

On February 19, 2009, FERC issued an Order Denying Clarification of the December 18 Order.

On February 26, 2009, John Deere Renewables, LLC submitted an Answer to Protest of Xcel Energy Services, Inc.

On February 27, 2009, SPP filed an Answer to Protest and Request for Rejection of American Electric Power Service Corporation. The answer states that AEP misinterpreted SPP’s Clarification Request. The purpose of SPP’s Clarification Request was to ensure that the December 18 Order did not prohibit SPP from developing Tariff provisions through its stakeholder process that would allocate any imbalance charges associated with the QF generation to the utility purchasing the QF generation under PURPA.

8. Docket No. ER09-254: SPP Filing to Create Three New Pricing Zone Rates for the Nebraska Entities

On November 7, 2008, SPP submitted revised pages to its Open Access Transmission Tariff intended to create three new pricing zones in SPP and incorporate rates charged for service provided in those zones. Also included are Tariff revisions to Base Plan Funding provisions to accommodate the new pricing zones. SPP proposes to create three new transmission pricing zones comprising the transmission systems of three transmission owners, the Nebraska Public Power District (“NPPD”), Omaha Public Power District (“OPPD”) and Lincoln Electric System (“LES”) (collectively “Nebraska Entities”), which have executed Membership Agreements with SPP and intend to transfer functional control of their transmission facilities to SPP by April 1, 2009.

On January 27, 2009, FERC issued a letter order accepting the November 7 Filing, effective April 1, 2009 as requested.

On April 1, 2009, SPP submitted a filing to correct pagination errors in SPP’s November 7 Filing (see Docket No. ER09-943).

9. Docket No. ER09-262: GI Clustering Waiver Petition

On November 10, 2008, SPP submitted a Petition for Waiver of Tariff Provisions regarding certain provisions of its Large Generator Interconnection Procedures (“LGIP”) set forth in Attachment V of the Open Access Transmission Tariff to enable more

efficient processing of pending requests in the SPP interconnection queue and to provide a smoother transition to its reformed queuing procedures that it plans to file by March 1, 2009. The waiver will allow SPP, prior to its planned interconnection queue reform filing, to study pending interconnection requests in clusters rather than serially, which will reduce the number of interconnection requests for which studies are still in process, when the planned, reformed queuing procedures become effective.

On January 7, 2009, SPP filed an Answer stating that 1) the Commission should not condition the waiver with OG&E's "Expedited Cluster" Proposal; 2) the purpose of SPP's waiver request is only to enable SPP to study interconnection requests queued between February 5, 2007 and June 17, 2008 through the two proposed transitional clusters.

On January 9, 2009, FERC issued a letter order conditionally granting the waiver in part and denying in part. The petition is granted in part and FERC permits SPP to temporarily waive section 4.2 of its Interconnection Procedures, which provides for clustering for study purposes based on a 180 calendar-day submission window. SPP is granted permission to cluster pending interconnection requests into the two transitional 15,000 MW clusters as described by SPP. FERC declines to waive the prescribed time frames for studies in sections 6.3, 7.4 and 8.3 of the Interconnection Procedures. FERC also grants waiver of sections 6.4, 7.6 and 8.5, which set forth parameters for restudies.

SPP is ordered to make a compliance filing by February 9, 2009 which identifies its timeline for completing the cluster interconnection studies.

On February 9, 2009, SPP submitted the compliance filing pursuant to the January 9 Order. SPP submitted the timeline for the completion of the study process for the transitional clusters. It is anticipated that the Final Interconnection Facilities Study Report and Draft Interconnection Agreements will be completed by March 24, 2010 for the first transitional cluster, and by September 16, 2010 for the second transitional cluster.

Also on February 9, 2009, SPP submitted a Motion for Clarification or, in the Alternative, for Modification of Waiver. SPP requests that the Commission clarify that, if SPP has not filed its reformed interconnection procedures by March 1, 2009, the expiration of the waiver will not affect the two existing 15,000 megawatt transitional clusters already established under the waiver. If clarification is not granted, SPP respectfully moves to modify the waiver.

On February 24, 2009, Novus Windpower, LLC submitted a Motion to Intervene and Protest in ER09-262-000. On March 2, 2009, Novus submitted another Motion to Intervene, this time in ER09-262-001.

On March 2, 2009, CPV Renewable Energy Company, LLC filed a Protest and Request for Expedited Action. They state the Commission should direct SPP: 1) to adopt a 90 day schedule to complete Facilities Studies for the transition clusters; 2) clarify that Interim IAs are available to projects in both transition clusters; and 3) submit a compliance filing within 30 days establishing an Interim IA and related implementing procedures.

On March 10, 2009, FERC issued an Order on Request for Rehearing. First, the Commission clarified that the Waiver Order permits all interconnection requests queued

between February 5, 2007 and October 2, 2007, that have a feasibility study posted -- including those for which a system impact study agreement has been executed -- but for which no system impact study has been posted to be included in the first transitional cluster. The Commission also rejected Novus's pleading. Second, the Commission extended the waiver granted in the Waiver Order until a date specified by the Commission in an order on SPP's planned queue reform filing, or June 1, 2009, if SPP has not make a filing by that date. It denied, however, SPP's request to provide clarification that the transitional clusters remain intact after the expiration of the waiver. Additionally, because the Commission has clarified that (i) the waiver will expire on June 1, 2009 unless SPP makes its queue reform filing by that date; and (ii) upon expiration of the waiver the transitional clusters will not remain intact (i.e. will be dissolved); to keep the transitional clusters in place, SPP needs to make its queue reform filing by **June 1, 2009**.

On March 17, 2009, SPP submitted an Answer to Protest, which states: 1) allowing 180 calendar days for completion of the interconnection facilities studies in the cluster study timelines is appropriate; 2) SPP's process for offering interim interconnection agreements to interconnection customers prior to completion of the interconnection study process is outside the scope of this proceeding; a compliance filing regarding interim interconnection procedures is inappropriate and in any event unnecessary.

10. Docket No. ER09-336: Attachment AP – Allocation of Costs Associated with Reliability Assessments

On November 25, 2008, SPP submitted Attachment AP titled "Allocation of Costs Associated with Reliability Penalty Assessments". This is pursuant to the Commission's March 20, 2008 "Order Providing Guidance on Recovery of Reliability Penalty Costs by Regional Transmission Organizations and Independent System Operators." An effective date of January 24, 2009 is requested.

On January 23, 2009, the Commission issued a letter order accepting SPP's proposed reliability penalty cost allocation methodology outlined in Attachment AP. An effective date of January 24, 2009 was granted.

The Order rejects a request by the East Texas Cooperatives to require a reciprocity provision for market participants and members to assign penalty costs to SPP (similar to a provision the Commission approved in PJM) and a request by Western Farmers to require SPP to provide factual details, identity of other parties and proposed penalty cost allocation in the notices it issues under Attachment AP. The Commission also denied Western Farmers' request that the Commission reject Attachment AP unless the NERC Compliance Monitoring and Enforcement Program for the SPP region is modified to specifically provide for intervention rights.

11. Docket No. ER09-394: Project Sponsor Upgrade Agreement

On December 9, 2008, SPP submitted a filing to incorporate into the OATT a pro forma Agreement for Sponsored Upgrade, as well as various revisions necessary to accommodate the incorporation of this Agreement. The agreement is designated "Schedule 1 to Attachment J."

An effective date of February 7, 2009 is requested.

On January 28, 2009, FERC issued a letter order accepting the December 9 Filing, effective February 7, 2009 as requested.

12. Docket No. ER09-425: Schedule 2 Corrections

On December 17, 2008, SPP submitted tariff revisions to correct errors in Schedule 2. Specifically, SPP proposes to revise Schedule 2 to correct several clerical errors that became apparent as SPP implemented recent substantive changes to its compensation methodology for Reactive Power. An effective date of February 15, 2009 is requested.

On January 27, 2009, FERC issued an order accepting the December 17 Filing, effective February 15, 2009 as requested.

13. Docket No. ER09-443: Request for waiver of Section 17.7 of OATT – AES Shady Point

On December 22, 2008, SPP filed a request that the Commission waive the notice provisions of Section 17.7 of SPP's OATT to permit SPP to grant AES Shady Point a one year extension of the commencement of its transmission service. Additionally, SPP requests that a waiver be granted as expeditiously as possible because without a waiver, the requested transmission service will begin on January 8, 2009 and AES Shady Point will be required to pay for transmission service that it has informed SPP it does not need. Due to an administrative oversight, AES did not make its formal request for an extension until December 4, 2008, after the required ninety day notice period to extend.

On February 2, 2009, FERC issued a letter order granting the waiver request.

14. Docket No. ER09-444: Credit Policy Revisions

On December 22, 2008, SPP submitted tariff revisions in order to adopt changes in its Credit Policy. In this filing, SPP proposed to modify various aspects of its Tariff and Credit Policy to enhance protections for SPP and market participants against risk of loss arising from customer defaults and to improve the process for customers to obtain credit for transactions under the Tariff. An effective date of February 20, 2009 is requested.

On January 7, 2009, Calpine Corporation filed a Motion to Intervene.

On January 12, 2009, the East Texas Cooperatives filed a Motion to Intervene.

Also on January 12, Oklahoma Municipal Power Authority and Missouri Joint Municipal Electric Utility Commission filed a Motion to Intervene and Protest. They asked that the Commission reject the proposed change to Section 7.3 of the Tariff creating an automatic default under the Tariff in the event of a missed payment.

On January 27, 2009, SPP filed an Answer to the comments stating that: 1) SPP's proposed credit policy revisions are superior to the *Pro Forma* OATT; 2) the proposed revisions protect customers and other Market Participants from unnecessary risks; 3) the proposed revisions provide sufficient flexibility for customer delinquencies resulting from minor administrative errors; and 4) the revisions are designed to benefit all stakeholders

and cannot be tailored to protect a subset of customers from their own business decisions.

On February 11, 2009, TDU Intervenors filed a Motion for Leave to Answer and Reply to SPP's Answer to Protests, in which they ask that the Commission reject as unjust and unreasonable SPP's proposal to create an automatic event of default in Section 7.3 of its Tariff.

On February 20, 2009, FERC issued an Order Accepting in Part and Rejecting in Part. SPP's proposed tariff revisions are accepted for filing to become effective February 20, 2009, with the exception of SPP's proposed revision to section 7.3 of its Tariff. SPP is directed to make a compliance filing by March 23, 2009. The Commission has ordered SPP to file revisions to the tariff "to clarify that a default occurs only after a customer fails to make payment by the end of the cure period."

On March 23, 2009, SPP filed its compliance filing pursuant to the February 20 Order. SPP submitted the requested changes in compliance with the February 20 Order, and added one modification to its Credit Policy contained in Attachment X of its Tariff to correct a discrepancy between the Tariff billing payment provisions. An effective date of February 20, 2009 is requested.

15. Docket No. 574: SPP Filing of OATT Revisions to Modify the Transmission and Base Plan Rates for Certain Pricing Zones

On January 26, 2009, SPP submitted changes to its OATT intended to modify the transmission and base plan rates for certain pricing zones. SPP submitted this filing in order to correct an error in the revised transmission and base plan rates that were accepted by the Commission on October 28, 2008 in Docket Nos. ER08-1371-001 and 001, 002. An effective date of June 1, 2008 is requested.

On February 5, 2009, SPP submitted a supplemental filing. Certain supporting information was inadvertently omitted from the January 26 Filing.

On March 16, 2009, FERC issued a letter order accepting the changes effective June 1, 2008.

16. Docket No. 575: SPP Filing of OATT Revisions to Modify the Transmission and Base Plan Rates for Certain Pricing Zones

On January 26, 2009, SPP submitted changes to its OATT intended to modify the transmission and base plan rates for certain pricing zones. SPP submitted this filing in order to correct an error in the revised transmission and base plan rates that were accepted by the Commission on October 17, 2008 in Docket Nos. ER08-1212-001 and 001. An effective date of May 1, 2008 is requested.

On February 5, 2009, SPP submitted a supplemental filing. Certain supporting information was inadvertently omitted from the January 26 Filing.

On March 16, 2009, FERC issued a letter order accepting the changes effective May 1, 2008.

On March 17, 2009, FERC issued an Errata to letter order clarifying that the effective date noted as May 1, 2009 in the March 16 Order should have read May 1, 2008.

17. Docket No. ER09-714: Attachment P Corrections

On February 13, 2009, SPP submitted revisions to its OATT in order to correct various inadvertent errors that were proposed in Docket No. ER08-746-000 and accepted by the Commission on May 27, 2008. Some of the revisions to Attachment P that were part of the March 28, 2008 filing were made in error. Specifically, SPP unintentionally revised the customer response and scheduling times for certain short-term firm, non-firm and next hour market transmission requests that were accepted by the Commission on May 16, 2008 in OA08-5-000.

An effective date of May 27, 2008 is requested.

On March 19, 2009, FERC issued a letter order accepting the revisions, effective May 27, 2008 as requested.

18. Docket No. ER09-748: SPP Filing of Revisions to OATT to Modify Energy Imbalance Service Market (Attachment AE Revisions)

On February 24, 2009, SPP submitted revisions to its OATT proposing various improvements to its real-time energy imbalance service market. SPP proposed refinements to the EIS Market Tariff sheets in Attachment AE.

An effective date of April 25, 2009 is requested.

On March 13, 2009, Constellation Energy Commodities Group, Inc. and Constellation NewEnergy, Inc. filed a Motion to Intervene.

On March 17, 2009, Xcel Energy Services, Inc., American Electric Power Service Corporation, and the East Texas Cooperatives filed Motions to Intervene.

On March 17, 2009, Southwest Industrial Customer Coalition filed a Motion to Intervene and Limited Protest, which requests that the Commission add to the proposed Tariff provisions certain language that SPP proposes to include in its Market Protocols.

On March 18, 2009, Westar Energy, Inc. and Kansas Gas and Electric Company filed a Motion to Intervene, Comment, and Protest, which protests SPP's revisions that intend to 1) incorporate demand response into the EIS Market and 2) remove one of two existing penalties for not following dispatch instructions.

On April 1, 2009, SPP filed an Answer to Comments, Protests and Requests for Modification stating: 1) SPP's Demand Response Tariff Revisions are consistent with the Commission's rule of reason; 2) SPP's proposal to remove the language requiring that it remove from EIS Market Operations Resources failing to follow dispatch instructions will reduce reliability problems within the EIS Market.

19. Docket No. ER09-778: SPP Filing of Revisions to the External Market Advisor Service Agreement for 2009 (Attachment AJ)

On February 27, 2009, SPP filed revisions to the External Market Advisor Services Agreement for 2009. This is the agreement with Boston Pacific Company, Inc. contained in Attachment AJ of the SPP Tariff.

An effective date of January 1, 2009 is requested.

20. Docket No. ER09-801: SPP Filing of Revision to Attachment AD of OATT to Extend and Modify Tariff Administration Agreement between SPP and Southwestern Power Administration

On March 5, 2009, SPP submitted revisions to Attachment AD of its OATT to modify the Tariff Administration Agreement governing its relationship with the Southwestern Power Administration.

An effective date of February 1, 2009 is requested.

21. Docket No. ER09-943: SPP Filing of Revised Pages to OATT to Correct an Administrative Error Resulting in Improper Designation of Certain Tariff Sheets Filed with the Commission in Docket No. ER09-254

On April 1, 2009, SPP filed revised pages to its OATT to correct an administrative error resulting in improper designation of certain Tariff sheets previously filed with and accepted by the Commission in ER09-254 (Tariff revisions to implement three new pricing zones, filed on November 7, 2008).

An effective date of April 1, 2009 is requested.

22. Docket No. OA09-23: SPP Filing of a Waiver Request of Certain Posting Requirements Set Forth in Order No. 890 (Order 890 AFC-ATC Waiver Request)

On March 26, 2009, SPP filed a waiver request, to the extent that such waiver is needed, of certain posting requirements set forth in Order No. 890. As detailed in the filing, SPP makes available to its customers a query software tool called a "Scenario Analyzer" enabling customers to convert Available Flowgate Capacity ("AFC") into Available Transfer Capability ("ATC") for a specified transmission path. Until recently, SPP believed that the availability of its Scenario Analyzer satisfied the requirement to make ATC values available to its customers. However, action in a recent Commission proceeding suggests that SPP may require a waiver from the Commission in order to rely upon the Scenario Analyzer. Accordingly, SPP is requesting a waiver, to the extent necessary, until June 30, 2009, to enable it to continue to rely on its Scenario Analyzer to provide a means for customers to convert AFC into ATC rather than posting ATC and related Total Transmission Capacity ("TTC"), Capacity Benefit Margin ("CBM") and Transmission Reliability Margin ("TRM") values on its Open Access Same-Time Information System ("OASIS").

- N. ICT's First Quarterly Performance Report for 2009 and Annual Performance Report for 2008 (Docket No. ER05-1065-000)**

Entergy's ICT Proposal is addressed in FERC Docket Nos. ER04-699-000 and ER05-1065-000,³ as well as Louisiana Public Service Commission (LPSC) Docket No. U-28155 and Arkansas Public Service Commission (APSC) Docket No. 04-050-U.

On February 11, 2009, SPP submitted the ICT's Annual Performance Report for the period of November 17, 2007 through November 17, 2008.

The ICT's First Quarterly Performance Report for 2009 was filed on March 31, 2009, in accordance with FERC's orders approving the establishment of the ICT and section 7 of Attachment S to Entergy's OATT.

Entergy continues to notify the Commission of data-reporting and AFC-related issues pursuant to the Commission's April 24, 2006 Order.

O. Arkansas Regulatory Proceedings

1. Docket No. 06-154-U: SWEPCO Turk Coal Plant CECPN Approval

The Arkansas Public Service Commission (APSC) granted SWEPCO a CECPN for the Turk Plant, subject to the conditions ordered, on November 21, 2007.

Monthly status reports are being filed by SWEPCO, as required by Order No. 11. SWEPCO reports that the Arkansas Pollution Control & Ecology Commission Air Permit Hearing is scheduled for June 8-19 in Little Rock. An in-service date of October 1, 2012 is currently anticipated.

On February 19, 2009, Intervenor Hempstead Hunting Club, et al. filed an application for rehearing of Orders No. 16 and 17 of Docket No. 06-154-U; Orders No. 5, 10, 12, 13 and 14 of Docket No. 08-001-U; Orders No. 4, 8, 10 and 12 of Docket No. 08-002-U; Orders No. 3, 5, 7 and 8 of Docket No. 08-098-U.

The Commission denied rehearing on March 13, 2009 per Order No. 18.

For associated activity in Louisiana and Texas, please see LPSC Docket No. U-29702 and PUCT Docket No. 33891.

For the associated appeal of the APSC's Order No. 11 by Intervenor, please refer to Arkansas Court of Appeals Case No. CA 08-128, presented in the detailed docket status report on the SPP website.

2. Docket Nos. 08-001-U, 08-002-U & 08-098-U: SWEPCO CECPN Proceedings – 138 kV Southeast Texarkana, 138 kV Sugar Hill & Northwest Texarkana 345 kV Transmission Lines

The Arkansas Public Service Commission (APSC) granted SWEPCO the requested CECPNs on January 20, 2009.

³ FERC Docket No. ER05-1065 replaced Entergy's Initial ICT Proposal in Docket No. ER04-699, which closed June 30, 2005.

On February 13, 2009, Intervenor Donald R. Johnson, Mary D. Johnson and Charles Michael Turner filed in Docket No. 08-001-U their Application for Rehearing of Orders No. 4, 9, 13 and 14 issued April 21, 2008; August 4, 2008; January 20, 2009; and January 22, 2009, respectively, in Docket No. 08-001-U.

On February 17, 2009, Intervenor Willis B. Smith and Patty F. Smith filed in Docket No. 08-001-U their Application for Rehearing of Orders No. 4, 9, 13 and 14 issued on April 21, 2008; August 4, 2008; January 20, 2009; and January 22, 2009, respectively, in Docket No. 08-001-U.

On February 19, 2009, Intervenor Hempstead Hunting Club, et al. filed an application for rehearing of Orders No. 16 and 17 of Docket No. 06-154-U; Orders No. 5, 10, 12, 13 and 14 of Docket No. 08-001-U; Orders No. 4, 8, 10 and 12 of Docket No. 08-002-U; Orders No. 3, 5, 7 and 8 of Docket No. 08-098-U.

The Commission denied these Applications for Rehearing on March 13, 2009 per Order No. 18.

On March 17, 2009, Intervenor Donald R. Johnson, Mary D. Johnson, and Charles M. Turner filed a Notice of Appeal with the Arkansas Court of Appeals (Case No. CA 09-283).

On March 24, 2009, Willis B. Smith and Patty F. Smith filed a Notice of Appeal with the Arkansas Court of Appeals (Case No. CA 09-304).

3. Docket No. 08-135-R (Amendments to Rules of Practice and Procedure)

On September 25, 2008, the APSC opened this docket for the purpose of amending its Rules of Practice and Procedure. An initial draft of the proposed comprehensive rewrite is currently due June 1, 2009.

On April 7, 2009, the Drafting Committee filed a Motion to Amend the Filing Deadline Established by Order No. 3 and to Authorize a Pilot Electronic Filing Program. The Drafting Committee proposes that the filing date be revised from June 1, 2009 to December 1, 2009. The Drafting Committee also encourages the Commission to authorize the Secretary of the Commission, with the assistance of the Drafting Committee, to implement a pilot electronic filing program during the pendency of this docket so that the parties may use their actual experience in electronic filing processes during the drafting process.

SPP outside counsel Ed Skinner of Wright, Berry, Hughes & Moore serves on the Drafting Committee.

4. Docket No. 08-136-U (All Things SPP RTO and ICT)

On September 25, 2008, the APSC opened this docket to inquire into electric transmission issues within the areas served by the SPP RTO and Entergy as those issues might impact the electric service within Arkansas.

On February 12, 2009, SPP filed the ICT's Annual Performance Report for the period of November 17, 2007 through November 17, 2008.

On March 6, 2009, APSC issued order No. 7, setting an April 6, 2009 public comment hearing on the ICT's Annual Performance Report.

On March 13, 2009, Arkansas Electric Cooperative Corporation, Entegra Power Group, LLC, Entergy Arkansas, Inc., and SUEZ Energy Marketing, NA, Inc. filed comments regarding the ICT Annual Report. Southwestern Electric Power Company, Oklahoma Gas & Electric Company, and Empire District Electric Company filed joint comments.

On March 16, 2009, SPP filed the Briefing Document, as requested by the Commission. This document included a broad overview of the SPP RTO and ICT, as well as a large number of Exhibits which include the 2008 monthly market monitoring reports not previously filed with the Commission, and the ICT's Annual Performance Report for 2007.

On April 1, 2009, SPP filed the ICT's First Quarterly Performance Report for 2009.

On April 6, 2009, the APSC held a public comment hearing regarding the ICT Annual Performance Report for 2008. Bruce Rew participated as the sponsoring witness for SPP.

SPP continues to file the Market Monitoring Report on a monthly basis. The ICT Performance Report is filed quarterly.

5. Docket No. 08-137-U (Innovative Approaches to Ratebase, Rate of Return Ratemaking)

On September 25, 2008, the APSC opened this docket for the consideration of innovative approaches to utility regulation in Arkansas to address the many challenges facing the electric and natural gas public utility industries.

Reply comments were due on February 3, 2009, pursuant to Order No. 3 issued on December 2, 2008.

SPP filed its Reply Comments on February 3, 2009.

Final Surreply Comments were due March 27, 2009, and were filed by the Electric Cooperatives of Arkansas, Centerpoint Energy Resources Corp., APSC General Staff, Entergy Arkansas, Inc., the Arkansas Attorney General, and the National Audubon Society.

A public hearing has not yet been calendared.

6. Docket No. 08-144-U (Sustainable Energy Docket)

On October 7, 2008, the APSC opened this docket to explore the expanded development of Sustainable Energy Resources (SER) within the State of Arkansas with the end result being the development of a Sustainable Energy Resources Guide for this Commission to use in promoting SER initiatives.

Pursuant to Order No. 9, issued March 24, 2009, the deadline for filing Reply Comments to the initial comments filed in this docket has been extended to **April 24, 2009**; initial

comments on the four new ratemaking standards added to Section 111(d) of PURPA has been extended to **April 24, 2009**; a best estimate of the impact on customer rates and the utilities themselves of leading proposals to adopt federal Renewable Portfolio Standards and Energy Efficiency Resource Standards has been extended to **April 24, 2009**; and Reply Comments on the PURPA Ratemaking Standards has been extended to **May 15, 2009**.

As a part of the Commission's Sustainable Energy Resources Collaborative established in this docket, on April 7, 2009, the APSC and Clinton School of Public Service hosted Duke Energy Chairman and CEO Jim Rogers for a lecture on energy efficiency.

7. Docket No. 08-168-U (SWEPCO Application for Certificate of Public Convenience and Necessity – Patterson Station)

On December 30, 2008, SWEPCO filed an Application for Certificate of Public Convenience and Necessity in order to rebuild its Patterson Station near Ashdown, Arkansas. The new facility is needed in order to interconnect the Turk Generation Facility to the electrical grid pursuant to the respective SPP Impact Study related to Generation Interconnection Request SPP GEN-2006-10.

SPP moved to intervene on December 30, 2008, requesting expedited consideration of its Petition so that it may file supporting testimony to establish compliance with the APSC's directives in Order Nos. 11 and 13 in Docket No. 06-154-U.

SPP was granted intervenor status on January 9, 2009, and immediately filed the Direct Testimony of Jay Caspary and Charles Hendrix.

On January 21, 2009, the Commission issued Order No. 2, establishing the following procedural schedule:

February 12, 2009 - Staff and Intervenor Direct Testimony due by Noon
February 26, 2009 - SWEPCO and SPP RTO Rebuttal Testimony due by Noon
March 5, 2009 – Staff and Intervenor Surrebuttal Testimony due by Noon
March 10, 2009 – Public Hearing begins 9:30 AM

On March 6, 2009, the Parties filed a Motion to Excuse Witnesses and Waive Hearing.

On March 6, 2009, the Commission issued Order No. 6, granting motion to excuse witnesses and waive hearing filed by the Parties.

On March 18, 2009, the Commission issued Order No. 7, granting SWEPCO a CCN to rebuild, operate, and maintain a transmission substation with a 138 kV breaker and a half configuration to replace the existing 138/115 kV Patterson Station and to construct the necessary transmission lines from the existing Patterson Station to the approved rebuilt Patterson Station.

P. Kansas Regulatory Proceedings

1. Docket Nos. 08-ITCE-936-COC, 08-ITCE-937-COC, 08-ITCE-938-COC (consolidated): ITC Great Plains Amendments to its Certificate of Public Convenience and Authority to

Construct, Own, Operate and Manage Wholesale Electrical Transmission Facilities in Portions of Certain Counties in the State of Kansas

SPP moved to intervene in these proceedings on April 25, 2008. SPP was granted Intervenor status on September 2, 2008.

The parties met to evaluate possible settlement on January 15-16, 2009, as directed by the KCC in its December 18, 2008 procedural order.

On January 27, 2009, Jaime Lyle McAlpine filed testimony on behalf of Chermac Energy Corporation.

On January 29, 2009, ITC Great Plains, LLC, Mid-Kansas Electric Company, LLC, and Sunflower Electric Power Corporation filed a Joint Motion to Stay and Motion for Extension of Time, asking that an extension be granted to February 6, 2009 for their privilege logs to be filed.

On February 2, 2009, Staff filed a Motion to File Amended Testimony with Exhibits. The amended testimony of Mr. Holloway is necessary to lift the confidentiality on recitations involving Article 9.4 of Exhibit D and Exhibit H of ITC's Designation Agreement (DA) with MKEC, and allow the DAs to be filed. In light of the additional public data contained in the DAs, it is necessary for Staff to supplement its direct testimony and exhibits.

On February 4, 2009, KCC issued an Order Denying Petitions for Reconsideration and Clarifying the December 18, 2008 Order.

On February 5, 2009, Larry Holloway filed Direct Testimony on behalf of KCC Staff.

On February 18, 2009, Jay Caspary filed Rebuttal Testimony on behalf of SPP.

On March 17, 2009, ITC Great Plains and Prairie Wind Transmission filed a Joint Motion to Modify Procedural Schedule.

On March 20, 2009, the Commission issued the Presiding Officer's Order Granting Joint Motion to Modify Procedural Schedule. The March 24-27, 2009 settlement dates have been vacated to allow the parties to conduct further mediation on March 24-25.

On March 25, 2009, the Parties filed a Joint Motion to Approve Stipulation and Agreement, along with the proposed Stipulation and Agreement. The proposed stipulation and agreement reflects an agreement by the Parties that both ITC Great Plains and Prairie Wind are qualified to build, negating the need for hearings on the issue in Phase 1 of these proceedings.

A prehearing conference was held on March 31, 2009.

On April 1, 2009, the Prehearing Officer issued an order cancelling the Phase 1 Hearings and scheduling an evidentiary hearing for April 13 to address the Joint Motion to Approve Stipulation and Agreement.

On April 13, 2009, a hearing on the Joint Motion to Approve Stipulation and Agreement was held at the KCC in Topeka, Kansas. Les Dillahunty participated by phone,

answering Commissioner questions on how Phase 2 of these proceedings fit into the SPP process, as discussed in his prior-filed testimony. Phase 2 will address which of the two applicants is best qualified to build.

A Commission order on Phase 1 is expected soon. Meanwhile, mediation between ITC Great Plains and Prairie Wind continues.

a. Docket No. 08-ITCE-936-COC (Ford, Kiowa, Clark & Comanche Counties)

On April 11, 2008, ITC Great Plains filed an application for an amendment to its Certificate of Public Convenience and Authority to construct, own, operate and manage wholesale electrical transmission facilities in portions of the Counties of Ford, Kiowa, Clark and Comanche in the State of Kansas.

This docket pertains to the initial segment of the V-Plan (northern half or Kansas portion of the "X-Plan").

b. Docket No. 08-ITCE-937-COC (Comanche, Clark & Barber Counties)

On April 11, 2008, ITC Great Plains filed for an amendment to its Certificate of Public Convenience and Authority to construct, own, operate and manage wholesale electrical transmission facilities in portions of the Counties of Comanche, Clark and Barber, in the State of Kansas.

This docket pertains to the middle segment of the V-Plan (northern half or Kansas portion of the "X-Plan").

c. Docket No. 08-ITCE-938-COC (Barber, Harper, Kingman, Sumner & Sedgwick Counties)

On April 11, 2008, ITC Great Plains filed for an amendment to its Certificate of Public Convenience and Authority to construct, own, operate and manage wholesale electrical transmission facilities in portions of the Counties of Barber, Harper, Kingman, Sumner and Sedgwick, in the State of Kansas.

This docket pertains to the middle segment of the V-Plan (northern half or Kansas portion of the "X-Plan").

2. Docket No. 08-PWTE-1022-COC: Prairie Wind Application for a Certificate of Public Convenience and Authority

On May 19, 2008, Prairie Wind Transmission, LLC filed an application for a Certificate of Public Convenience and Authority to site, construct, own, operate and maintain bulk electric transmission facilities in the State of Kansas.

As an initial project, Prairie Wind proposes to construct a new 765 kV transmission system comprised of two segments. Prairie Wind anticipates that one segment will run west-southwest from a new 765 kV or existing substation near Wichita, Kansas to a new 765 kV substation near Medicine Lodge, Kansas and then west-northwest to a new or existing station near Spearville, Kansas and that the other segment will run from the new Medicine Lodge 765 kV substation south-southwest to the Kansas-Oklahoma border.

The parties met to evaluate possible settlement on January 15-16, 2009, as directed by the KCC in its December 18, 2008 procedural order.

On January 27, 2009, Jaime Lyle McAlpine filed testimony on behalf of Chermac Energy Corporation.

On January 29, 2009, ITC Great Plains, LLC, Mid-Kansas Electric Company, LLC, and Sunflower Electric Power Corporation filed a Joint Motion to Stay and Motion for Extension of Time, asking that an extension be granted to February 6, 2009 for their privilege logs to be filed.

On February 2, 2009, Staff filed a Motion to File Amended Testimony With Exhibits. The amended testimony of Mr. Holloway is necessary to lift the confidentiality on recitations involving Article 9.4 of Exhibit D and Exhibit H of ITC's Designation Agreement (DA) with MKEC, and allow the DAs to be filed. In light of the additional public data contained in the DAs, it is necessary for Staff to supplement its direct testimony and exhibits.

On February 4, 2009, KCC issued an Order Denying Petitions for Reconsideration and Clarifying the December 18, 2008 Order.

On February 4, 2009, Larry Holloway filed Direct Testimony on behalf of the KCC Staff. In addition, Jon Jipping and Carl Huslig filed Direct Testimony on behalf of ITC Great Plains, LLC.

On February 18, 2009, Jay Caspary filed Rebuttal Testimony on behalf of SPP.

On March 17, 2009, ITC Great Plains and Prairie Wind Transmission filed a Joint Motion to Modify Procedural Schedule.

On March 20, 2009, the Commission issued the Presiding Officer's Order Granting Joint Motion to Modify Procedural Schedule. The March 24-27, 2009 settlement dates have been vacated to allow the parties to conduct further mediation on March 24-25.

On March 25, 2009, the Parties filed a Joint Motion to Approve Stipulation and Agreement, along with the proposed Stipulation and Agreement. The proposed stipulation and agreement reflects an agreement by the Parties that both ITC Great Plains and Prairie Wind are qualified to build, negating the need for hearings on the issue in Phase 1 of these proceedings.

A prehearing conference was held on March 31, 2009.

On April 1, 2009, the Prehearing Officer issued an order cancelling the Phase 1 Hearings and scheduling an evidentiary hearing for April 13 to address the Joint Motion to Approve Stipulation and Agreement.

On April 13, 2009, a hearing on the Joint Motion to Approve Stipulation and Agreement was held at the KCC in Topeka, Kansas. Les Dillahunty participated by phone, answering Commissioner questions on how Phase 2 of these proceedings fit into the SPP process, as discussed in his prior-filed testimony. Phase 2 will address which of the two applicants is best qualified to build.

A Commission order on Phase 1 is expected soon. Meanwhile, mediation between ITC Great Plains and Prairie Wind continues.

Q. Louisiana Regulatory Proceedings

1. Docket No. R-26172, Subdocket C: Possible Suspension of, or Amendments to, the Louisiana Public Service Commission's Market Based Mechanism Order to Make the Process More Efficient and to Consider Allowing the Use of On-line Auctions for Competitive Procurement

On January 2, 2008, the Notice of Second Proposed Rule was received on behalf of staff.

An open session was held January 16, 2008 and the LPSC voted to accept the Staff Recommendation and amend the Market Based Mechanism Order to include language permitting internet-based auctions.

On June 16, and 17 2008, post technical conference comments were filed on behalf of AEP/SWEPCO, Gulf States Louisiana, LLC and Entergy Louisiana, LLC, Joint Stakeholders, Louisiana Energy Users Group, SUEZ Energy North America, Calpine Corporation, and Entegra Power Group, LLC, and Cleco Power, LLC.

Docket Nos. R-26172, Subdocket C and R-30517 have been consolidated.

Docket No. R-30517 involves possible modifications to the September 20, 1983 General Order to allow for more expeditious certifications of limited-term resource procurements and an exception for annual and seasonal liquidated damages block energy purchases.

On October 29, 2008, the Commission issued an order stating that electric utilities subject to the Commission's jurisdiction shall employ a market-based mechanism to support the acquisition of generating capacity or purchase power contracts intended to serve LPSC-jurisdictional retail customers. This requirement shall not apply to non-jurisdictional affiliates of a Louisiana utility except in cases where the affiliate enters into a purchase power contract on behalf of the Louisiana utility.

2. Docket No. R-30738: Louisiana Public Service Commission, ex parte. In re: Identification of Regulatory Obstacles to Merchant Transmission Investment in Louisiana and Recommendation of Potential Regulatory Framework Governing Merchant Transmission Investment in Louisiana

This docket was opened pursuant to Commissioner Field's directive at the Commission's August 12, 2008 meeting.

LPSC Staff is currently seeking comments on (i) any regulatory obstacles and (ii) the following possible regulatory frameworks governing the interaction of jurisdictional electric utilities and merchant transmission companies:

- (1) Should the stakeholder process (sponsored by the ICT in the case of Entergy and SPP for Cleco and SWEPCO) continue to be used to identify transmission projects that promise reliability and/or economic benefits?

(2) Should the ICT or SPP, as the neutral third party and after weighing the arguments, advise on whether a proposed transmission project is in the public interest?

(3) Should the utility, in whose territory the recommended project is to be located, be required to provide the Commission with the following information: (a) whether they will build the recommended transmission project (subject to contributions under the applicable cost allocation formula), the cost of building the proposed project, and when the project will be placed in service, or (b) why they will not build the recommended project?

(4) If the utility will not build the recommended transmission project, or if a merchant transmission company can build it cheaper or quicker, should the merchant transmission company be able to petition the Commission for the right to construct the recommended project? The decision of a merchant transmission company to build or not build a particular transmission project would have no bearing on the utility's prudence obligations. (5) Any additional items/issues relative to the above.

Interventions and comments were due September 16, 2008 (25 days from the publication of LPSC Bulletin No. 913, August 22, 2008).

On September 15, 2008, SPP filed Petitions to Intervene in this matter on behalf of the SPP-RTO and the SPP-ICT.

On October 8, 2008, the SPP-RTO and SPP-ICT filed separate comments.

On February 2, 2009, Staff issued a Report and Recommendation on initial and reply comments.

On February 4, 2009, Staff issued notice of ICT's responses to several Staff questions posted in the February 2 summary letter.

On March 16, 2009, Cottonwood Energy Company LP filed Reply Comments in Response to LPSC Staff's Summary of Comments and Recommendation. Also on March 16, the Louisiana Energy Users Group, SUEZ Energy Marketing NA, Inc. and Entegra Power Group, LLC ("Joint Stakeholders") also filed Reply Comments regarding the Staff's Reports and Recommendations. The deadline for submitting comments on these reply comments was April 6, 2009.

R. Mississippi Regulatory Proceeding

Docket No. 2008-AD-158: Proceeding to Review Statewide Energy Generation Needs

On April 30, 2008, the Mississippi Public Service Commission (MPSC) opened this docket to develop an on-going review of the five-year long-range energy needs for the State of Mississippi.

The MPSC directed all electric utilities and subject to the Commission's jurisdiction to submit documentation and proofs as to forecasts, plans and future electric generation needs by July 31, 2008.

SPP moved to intervene in this proceeding on June 9, 2008 and was granted intervenor status on June 10, 2008.

Initial public hearings commenced August 18, 2008 for oral testimony and comments. Bruce Rew, on behalf of the SPP ICT, participated in the public hearing by providing a presentation on the ICT as requested by the Commission staff.

On September 12, 2008, several parties filed closing comments regarding the August 18-21, 2008 hearings.

This docket remains open, but has no current activity.

S. Missouri Regulatory and Circuit Court Proceedings

1. Docket No. EO-2009-0179: KCP&L Greater Missouri Operations Company's Application for Authority to Transfer Functional Control of Certain Assets to SPP

On November 12, 2008, KCP&L Greater Missouri Operations Company filed an application for authority to transfer functional control of its transmission system (60 kV and above) to SPP. KCP&L-GMO requests approval within 90 days, or by February 10, 2009.

On November 19, 2008, SPP filed a Motion to Intervene. The motion was granted on December 19, 2008.

On December 19, 2008, Missouri PSC issued an Order Granting Interventions and Setting Prehearing Conference.

A prehearing conference was held on January 7, 2009.

On January 27, 2009, KCP&L-GMO, MoPSC Staff, Office of Public Counsel, The Empire District Electric Company, Dogwood Energy, LLC, and SPP submitted a Stipulation and Agreement in this docket. This Stipulation and Agreement was approved by the MoPSC on February 4, 2009, to become effective February 10, 2009.

Included as a part of the Stipulation and Agreement was Attachment B, an Agreement for the Provision of Transmission Service to Missouri Bundled Retail Load, Attachment B serves to ensure that the MoPSC continues to set the transmission component of KCP&L's rates to serve its Missouri Bundled Retail Load.

SPP is preparing to file Attachment B and the Network Agreements for KCP&L- GMO with FERC during the week of April 15, 2009.

2. Docket Nos. EW-2009-0290, EW-2009-0291, EW-2009-0292, EW-2009-0293: EISA Workshops

On December 17, 2008, MoPSC issued an Order Establishing Cases, Directing Notice, Establishing a Deadline for Submission of Intervention Requests, Setting a Prehearing Conference, and Setting Date for Filing Procedural Schedules.

The new EISA standards, outlined in subparts a. thru e. below, amend the Public Utilities Regulatory Policy Act of 1978 (“PURPA”). Pursuant to EISA, the Commission is required to commence consideration of this standard no later than December 19, 2008, and is further required to make a determination regarding acting upon the new standards no later than December 19, 2009.

A prehearing conference was held on February 2, 2009.

On February 6, 2009, the MoPSC issued an Order Regarding Classification of Dockets and Ex Parte Rule, re-classifying these dockets as workshops. This case was originally designated as EO-2009-0248. On February 9, 2009, the Commission closed the original document number.

On February 23, 2009, the Commission’s Staff filed a pleading suggesting that, to the extent the Commission needs to consider the PURPA standards in this docket, it can review the new standards during workshops previously scheduled to review Chapter 22 of the Commission’s regulations.

On March 25, 2009, the Commission set a deadline of April 15, 2009, for responses addressing the following issues with regard to each standard: (1) does the prior state action exemption apply to any of the new PURPA standards encompassed within the Energy Independence and Security Act of 2007; and (2) should the Commission engage in rulemaking, or some other procedure to adopt any of the new PURPA standards encompassed within the Energy Independence and Security Act of 2007. SPP does not plan to file a response.

- a. **EW-2009-0290: In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(16) Integrated Resource Planning Standard as Required by Section 532 of the Energy Independence and Security Act of 2007**
 - b. **EW-2009-0291: In the Matter of the Consideration of Adoption) of the PURPA Section 111(d)(17) Rate Design Modifications to Promote Energy Efficiency Investments Standard as Required by Section 532 of the Energy Independence and Security Act of 2007**
 - c. **EW-2009-0292: In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(16) Consideration of Smart Grid Investments Standard as Required by Section 1307 of the Energy Independence and Security Act of 2007**
 - d. **EW-2009-0293: In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(17) Smart Grid Information Standard as Required by Section 1307 of the Energy Independence and Security Act of 2007**
3. Docket No. EW-2009-0324: In the Matter of a Repository File Regarding the Renewable Energy Workshop

The first Renewable Energy Workshop was held March 9, 2009, with initial comments on RES Proposed Rule Rev 4 due to MoPSC Staff on March 20.

Comments were filed by Ameren UE; Sol Systems, LLC; the Missouri Department of Conservation, Midwest Solar Distributors, Sun Edison, Decent Energy, and Iberdrola Renewables.

Additional workshops were scheduled for April 13, 2009 (second workshop) and July 30-31, 2009 (third workshop).

T. New Mexico Regulatory Proceeding

Case No. 07-00390-UT: An Investigation into the Prudence of SPS' Participation in the SPP RTO

On October 16, 2007, the NMPRC issued an order docketing investigation into the prudence and reasonableness of SPS' participation in the SPP RTO and requiring SPS to file direct testimony no later than 75 days after the completion of the SPS rate case, Case No. 07-00319-UT.

On January 29, 2009, an Order Amending Procedural Schedule was issued modifying the deadlines for the filing of testimony in this case.

On March 20, 2009, Staff filed an Unopposed Motion to Amend Procedural Schedule.

On March 23, 2009, the Commission issued an Order on Second Motion to Amend Procedural Schedule, requiring the parties to propose a new date for filing of Staff and Intervenor direct testimony or submit a proposed stipulation.

A settlement meeting was held in Santa Fe on April 4, 2009, to discuss the NMPRC Staff's list of issues. Staff and SPS plan to meet with the ALJ, prior to the April 23rd Prehearing Conference, to ascertain whether the scope of the case can be expanded to cover an SPS request for permission to transfer functional control to SPP and place SPS's New Mexico load under a Network Integration Transmission Service Agreement.

On April 6, 2009, NMPRC Staff filed an Unopposed Motion to Amend Procedural Schedule, asking that the deadline to propose a new date for fling Staff and Intervenor direct testimony or submit a proposed stipulation be vacated. Staff also asked that a prehearing be set for April 23, 2009.

On April 8, 2009, the Hearing Examiner issued an Order on Unopposed Motion to Amend Procedural Schedule. The deadline of April 6, 2009, set by the March 23 Order, is vacated and a prehearing conference is scheduled for April 23, 2009.

A public hearing is scheduled for April 29, 2009. However, it is expected to be postponed so that the parties may continue settlement discussions.

A two-day workshop and settlement conference is scheduled for May 19-20, 2009. There will also be an evening meeting with the New Mexico Coops on May 18, 2009.

U. Texas Regulatory Proceedings

1. Docket No. 33672: Proceeding to Designate CREZs

Senate Bill 20, enacted by the Texas Legislature in 2005, established targets in megawatts of renewable electric generation capacity in the State of Texas, and required the creation and designation of “Competitive Renewable Energy Zones” (CREZs) in areas of Texas where renewable energy resources and suitable land areas were sufficient to develop such renewable generation capacity.

The PUCT opened a rulemaking docket to create and designate the first set of CREZs, Docket Number 33672. SPP filed a Motion to Intervene in that docket on January 22, 2007. That Motion was granted on January 25, 2007. SPP subsequently filed Direct Testimony and analyses performed by SPP of Transmission Alternatives for CREZs.

An evidentiary hearing was held in the docket on June 11, 2007. SPP participated in that hearing, and the Commission issued an Interim Order on October 2, 2007, which designated CREZs, but specifically did not assign any of those CREZs to SPP. Commissioner Parsley, in her dissent, stated that the evidence clearly established that SPP was the appropriate region for delivery of the wind energy output from CREZ Zones 1 and 4, and that “SPP provides the most beneficial and cost-effective delivery of energy from zones 1 and 4.” As a result of the Commission’s order, SPP, while still remaining a party to the docket, has not actively participated in the docket.

In the October 2007 Order, the Commission ordered ERCOT to study and create transmission plans to accommodate four levels of wind generation ranging from 12 GW to 25 GW. In June, 2008, after conducting a Transmission Optimization Study with assistance from GE and filing additional testimony, the PUCT held a hearing to discuss the results of the study.

ERCOT's Transmission Optimization study described two possible plans, A and B, for Scenario 1, (12 GW). Scenario 1B was the most popular of the two plans because of its expansion capability; it is estimated cost \$3.78 billion. Scenario 3 (24.8 GW), had the highest cost estimate at \$6.4 billion. Scenario 4, similar in capacity to Scenario 3, was the scenario requested by Commissioner Julie Parsley (which would have left the Panhandle wind generation with SPP) and involved a cost estimate of \$5.75 billion. Many of the wind developers favored Scenario 3, while other participants, including Commission staff, supported Scenario 1B or Scenario 2 (18.5 GW), due to cost concerns (many fear ERCOT's estimates were understated) and/or concerns that much of the proposed wind generation might not actually be built. In addition to citing cost concerns, many parties criticized the GE study regarding ancillary services for its many limitations, which included the failure to identify specific impacts to ancillary services other than regulation and the failure to study wind penetration scenarios above 15 GW.

As a result of the concerns cited by so many parties, the Commissioners apparently are no longer interested in the higher level wind scenarios. All were concerned about the reliability issues noted in the GE study and the criticisms of this study. Commissioner Parsley again urged support for allowing the Panhandle wind generation to stay with SPP. Commissioner Barry Smitherman specifically commented that he would not likely approve anything above Scenario 2. Now that parties have filed their final briefs, the Commissioners plan to spend the next two Open Meetings (July 17 and July 31) discussing the CREZ docket in more detail and will likely enter a final order shortly thereafter.

In an order dated August 15, 2008, the Commission selected Scenario 2. On October 7, 2008, the Commission issued a Final Order.

On December 22, 2008, TIEC filed an appeal of the decision at the Travis County District Court in Austin seeking reversal and remand.

The CREZ transmission providers have been selected - they are listed in the final order in Docket. No. 35665 which can be found at the following link: http://interchange.puc.state.tx.us/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=35665&TXT_ITEM_NO=1324.

The first CREZ-related CCN was filed (LCRA, Docket No. 36686, McCamey area).

There are two new rulemakings (one for priority and the other for non-priority projects) for the sequencing and scheduling of CREZ CCNs (Project Nos. 36801 and 36802).

Dispatch priority for CREZ wind projects is still unsettled (Project No. 34577) - there is a workshop scheduled for April 17, 2009.

SPP remains a party in this docket, but has not actively participated in the docket since the issuance of the October 2, 2007 PUCT Order.

2. Docket No. 33687: EGSI's Transition to Competition Plan

On October 24, 2007, the PUCT issued an order abating the proceeding and instructing Entergy Gulf States (EGSI) to request SPP to conduct an analysis similar to that performed by ERCOT in their Phase II Entergy Integration Report and completed in 2006. SPP is in the process of conducting that analysis.

The five stakeholder meetings were held on February 21, April 16, June 20, September 16, and December 1, 2008.

On December 4, 2008, SPP filed a Notice of Postponement stating the study report will be filed on or before December 17, 2008.

On December 5, 2008, ERCOT filed its Phase II Study Update.

On December 17, 2008, SPP filed its SPP-ETI QPR Study Report.

On December 18, 2008, the PUCT issued Order 31 unabating the proceeding.

A prehearing conference was held on January 8, 2009.

The SPP Technical Conference was held on February 11, 2009. SPP responded to questions from the following parties: Alliance for Retail Markets, Cottonwood Energy Company, LP, Denton Municipal Electric, East Texas Electric Cooperatives, Entergy Texas, Inc., Oncor Cities, Shell Energy North America (US) LP, Tenaska Power Generation Companies, and Texas Industrial Energy Consumers. A conference call was held on February 17, 2009, in order to address remaining questions not covered on February 11.

On February 25, 2009, SPP submitted Revised Responses to Questions from the First Technical Conference.

On February 26, 2009, ERCOT filed a Statement of Intention to Revise Phase III Study Report, which was previously submitted to PUCT on December 5, 2008. ERCOT discovered that the list of multiple-element contingencies in its analysis was incomplete.

Also on February 26, As a result of ERCOT's filing, Entergy Texas, Inc. filed a Motion for Postponement of Updated TTC Filing.

A prehearing conference was held on March 5, 2009 to discuss the remainder of the procedural schedule. The March 24, 2009 ERCOT and SPP Technical Conference has been postponed due to ERCOT's need to re-file their study report at a future date. The parties shall jointly file a proposed procedural schedule by March 31, 2009.

On March 31, 2009, ETI filed the Joint Proposed Procedural Schedule.

On April 3, 2009, the Commission issued Order No. 36 setting the following procedural schedule:

April 15, 2009: ERCOT files revised Phase III Study Report

April 29, 2009: ETI files updated TTC Plan

May 4, 2009: Deadline to submit questions for technical conference with ERCOT

May 8, 2009: Pre-hearing conference to address remainder of procedural schedule

May 15, 2009: Technical conference with ERCOT

May 15, 2009: Deadline to submit questions for technical conference with SPP

June 2, 2009: Technical conference with SPP and, as needed, ERCOT

3. Docket No. 33891: SWEPCO Turk Plant CCN Proceeding

A hearing on the merits was held May 29 -30, 2008. Initial post-hearing briefs were due June 13, 2008, and reply briefs were due June 20, 2008. No order in the case has been issued.

On August 12, 2008, the Commission issued an order conditionally approving SWEPCO's application, as modified by and subject to the limitations contained in the Order. The Commission notes that SWEPCO's initial brief indicates that the Arkansas Department of Environmental Quality (ADEQ) issued a draft permit for the Turk Plant in May 2007, but has not issued the final permit to date. SWEPCO must obtain this permit. The Commission is conditioning its approval to amend SWEPCO's CCN on the receipt of the necessary permits to construct and operate the Turk Plant. The Commission also concluded that it is appropriate and necessary to place further limitations on SWEPCO, specifically regarding costs. SWEPCO will also be required to provide the Commission with all updates, studies, reviews, reports and analyses required to be submitted to both the Arkansas and Louisiana Commissions.

On September 11, 2008, SWEPCO submitted a Motion for Rehearing. SWEPCO asked that the cost limitations be eliminated.

On September 29, 2008, the Commission denied SWEPCO's Motion for Rehearing.

There is no recent activity in this docket.

SPP is not a participant in this docket.

4. Docket No. 34442: Complaint of JD Wind against SPS

On June 27, 2007, the JD Wind Companies filed a complaint with the Public Utility Commission of Texas requesting that it resolve a dispute between the JD Wind Companies and SPS regarding commercial terms for long-term written agreements for the sale of energy to SPS from any of the six wind farms.

A hearing on the merits was held on October 13-16, 2008.

Initial briefs and written closing arguments were due December 16, 2008.

Responsive briefs were due January 26, 2009.

On March 25, 2009, the State Office of Administrative Hearings filed a Proposal for Decision. April 6, 2009 was the deadline for filing exceptions to proposal for decision. April 13, 2009, was the deadline for filing responses to exceptions.

SPP is not an active participant in this docket.