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January 13, 2011

Ms. Heather Starnes
Manager Regulatory Policy
Southwest Power Pool
415 North McKinley Street
#140 Plaza West
Little Rock, AR 72205-302

Via email HStarnes@spp.org

Dear Ms. Starnes:

In Agenda this morning, the Commissioners discussed ITP20 and asked that Southwest Power Pool (SPP) provide written responses to various questions. The Commissioners intend to further discuss ITP20 at their Agenda meeting on Wednesday, January 19, so your prompt reply is appreciated.

1. Please provide justification and any supporting information that was used to support SPP staff's preference for Robust Plan 1 versus the other options included in ITP20.
2. Was SPP staff's decision to recommend Robust Plan 1 because it allows a segway to Robust Plan 5 or Robust Plan 6, both of which included 765 KV?
3. For Appendix 9.3, please provide the cost and benefits before and after transfer payments. Include data on a per utility basis. If an "average" is included, please provide an explanation of how the "average" was calculated. (Any "average" should not be a straight average, but should indicate total gains.)
4. Please provide work papers for all plans.
5. Appendix 9.2, line 12 outlines transfer payments. Please explain how transfer payments will work, when they will be included, and what process will be used to determine if/when transfer payments should be implemented.
6. Was a gas sensitivity analysis performed on the cost effective plan?
7. Has a gas sensitivity analysis been run on any of the plans discussed in ITP20?

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8. During previous discussions there was an indication that a gas sensitivity analysis was not completed because time was running short. Is this an accurate depiction as to why gas sensitivity analyses were not completed? Please explain.
9. Were there any other shortcuts that were taken because time was running short; and if so, what were those shortcuts?
10. Please provide an update as to SPP's perspective on the "unintended consequences" language and when that issue will be addressed.

Sincerely,

A handwritten signature in black ink that reads "Adam McKinnie" followed by a small, stylized mark that appears to be "ND".

Adam McKinnie
Chief Utility Economist

ND/am

cc: Chairman Clayton
Commissioner Davis
Commissioner Jarrett
Commissioner Gunn
Commissioner Kenney
Les Dillahunty, Special Assistant to the CEO