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I. COMMON SERVICE PROVISIONS

1 Definitions

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

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

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

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

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

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

1.3c Base Plan Charge: Charge assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.3d Base Plan Region-wide Annual Transmission Revenue Requirement: The sum of the annual transmission revenue requirement for each Base Plan Upgrade and of the Base Plan Avoided Revenue Requirement(s), if any, that are allocated to the SPP Region in accordance with Attachment J to this Tariff.

1.3e Base Plan Region-wide Charge: Regional component of the charge assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

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1.3f Base Plan Region-wide Load Ratio Share: Ratio of a Network Customer's or Transmission Owner's Resident Load in the SPP Region to the total load in the SPP Region computed in accordance with Section II.B. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.

1.3g Base Plan Region-wide Rate: Regional component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.3h Base Plan Upgrades: Those upgrades included in and constructed pursuant to the SPP Transmission Expansion Plan in order to ensure the reliability of the Transmission System. Base Plan Upgrades shall also include those upgrades required for new or changed Designated Resources to the extent allowed for in Attachment J to this Tariff.

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

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

1.3k Base Plan Zonal Load Ratio Share: Ratio of a Network Customer's or Transmission Owner's Resident Load in a Zone to the total load in that Zone computed in accordance with Section II.A. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.

1.3l Base Plan Zonal Rate: Zonal component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.4 Commission: The Federal Energy Regulatory Commission.

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

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

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

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

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

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

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

1.9a Designated Resource: Any designated generation resource owned, purchased or leased by a Transmission Customer to serve load in the SPP Region. Designated Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Transmission Customer's load on a non-interruptible basis.

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

1.10a Economic Upgrades: Elective upgrades, identified in the SPP Transmission Expansion Plan, which have potential economic benefit to the SPP Region, but are not required for reliability reasons.

1.10^{ba} Effective Date: For Short-Term Firm and Non-Firm Point-To-Point Transmission Service the Effective Date of this Tariff is June 1, 1998. For Long-Term Firm Point-To-Point Transmission Service the Effective Date of this Tariff

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is April 1, 1999. For Network Integration Transmission Service the Effective Date of this Tariff is February 1, 2000.

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

1.11a Existing Facilities: (i) Transmission System facilities placed in service on or before December 31, 2005; or (ii) planned Transmission System facilities identified in the SPP Transmission Expansion Plan required to be in service to meet SPP and NERC reliability standards for the summer of 2005; or (iii) Transmission System facilities identified by Transmission Owners, and not included in the SPP Transmission Expansion Plan, required to be in service to meet SPP and NERC reliability standards for the summer of 2005.

1.11b Existing Zonal Annual Transmission Revenue Requirement: The revenue requirement for Existing Facilities in each Zone for purposes of determining the charges under Schedules 7, 8 and 9 of this Tariff.

1.12 Facilities Study: An engineering study conducted by the Transmission Provider in collaboration with the affected Transmission Owner(s) to determine the required modifications to the Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or Generation Interconnection Service. The

Transmission Provider shall have the ultimate responsibility for any such studies. However, the Transmission Provider's final decision must be consistent with Good Utility Practice. Facilities studies for any facilities not under the operational control of the Transmission Provider shall be performed by the Transmission Owner or any entity it designates to perform the studies.

- 1.27 Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 1.28 Open Access Same-Time Information System (OASIS):** The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.29 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.30 Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.31 Part III:** Tariff Sections 28 through 36 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.31a Part IV:** Tariff Sections 37 through 38 pertaining to special Tariff provisions related to the applicability of the Tariff during and after the Transition Period.
- 1.31b Part V: Tariff Sections 40 through 41 pertaining to recovery of costs for Base Plan Upgrades and appropriate Schedules and Attachments.**
- 1.32 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.

- 1.33 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.34 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.35 Point-To-Point Transmission Service:** The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.
- 1.36 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.36a Project Sponsor:** One or more entities that voluntarily agree to bear the costs of an Economic Upgrade.
- 1.37 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.37a Regional State Committee:** A voluntary organization comprised of one designated commissioner from each participating state regulatory commission having jurisdiction over an SPP Member, established to collectively provide both direction and input on all matters pertinent to the participation of the Members in SPP pursuant to the SPP By-Laws.
- 1.38 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

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1.38a Requested Upgrades: Transmission upgrades, requested by a Transmission Customer or other entity, which do not meet the definition of any other category of Network Upgrades.

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1.39 Reserved Capacity: The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.39a Resident Load: The load for which Base Plan Charges are applicable pursuant to Part V of the Tariff.

1.40 Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.41 Service Commencement Date: The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.42 Short-Term Firm Point-To-Point Transmission Service: Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.42a SPP: The Southwest Power Pool, Inc.

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

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

1.42d SPP Transmission Expansion Plan: The SPP RTO shall regularly perform transmission planning studies. These studies shall assess the reliability and economic operation of the SPP Transmission System. Transmission expansion required over the planning period shall be submitted to the SPP Board of Directors.

1.43 System Impact Study: A coordinated assessment by the Transmission Provider and the affected Transmission Owner(s) of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service or (ii) to determine the

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Attachment Facilities, other Direct Assignment Facilities, and system upgrades
that are needed to accept power into the grid at

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1.48 Transmission Service: Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.49 Transmission System: The facilities used by the Transmission Provider to provide transmission service under Part II, ~~and Part III~~ and Part V of the Tariff ~~and are reflected in the rates for Network Integration, Long Term Firm, Short Term Firm and Non-Firm Point to Point Transmission Service under the Tariff as stated in Attachments H and T.~~

1.49a Users: Transmission Customers or other entities that are parties to transactions under the Tariff.

1.49b Wholesale Distribution Service: The provision of distribution service over a Transmission Owner's Distribution Facilities necessary to effectuate a transaction under this Tariff. To the extent such service is required, it shall be specified in the Service Agreement for the associated service being provided under the Tariff. The charges for Wholesale Distribution Service are described in Schedule 10.

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

2 Initial Allocation and Renewal Procedures

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

affected Transmission Customers in a timely manner of any scheduled Curtailments. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the firm capacity used): 200% of the Firm Point-to-Point Transmission Service charge under Schedule 7 plus 200% of the Base Plan Charge assessed under Schedule 11 for the entire length of the reserved period but not exceeding one month. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. These penalty revenues shall reduce the Transmission Provider's administrative costs.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless (i) the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt, or (ii) the generating units or plants are in the same Control Area of a Transmission Owner in which case the units or plants also would be considered as a single Point of Receipt; provided, however, that generation which is dynamically scheduled

shall be considered as part of the Control Area where it is physically located. In the event of a change in the ownership or control of generation resources previously aggregated as a single Point of Receipt under this provision, such generation may be disaggregated and treated as multiple Points of Receipt, provided that all other terms of this Tariff and the Service Agreement are met.

- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedules 7 and 11. The Transmission Customer may not exceed its firm capacity

reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including Third-Party Sales by a Transmission Owner) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 200% of the Firm Point-to-Point Transmission Service charge under Schedule 7 plus 200% of the Base Plan Charge assessed under Schedule 11 for the period for which the additional service was actually used. The charges for the additional service shall be based upon the duration of the period when the additional capacity was used. For example, one hour would be billed at the charge for weekday deliveries. The Transmission Provider shall compensate the Transmission Owners for 100% of the Firm Point-to-Point Transmission Service charge and of the Base Plan Charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs. For the amounts exceeding reserved capacity, the Transmission Customer also must replace losses as required by this Tariff.

- 13.8 Scheduling of Firm Point-To-Point Transmission Service:** All scheduling practices and schedules submitted by Transmission Customers will comply with applicable North American Electric Reliability Council Policies and SPP Criteria. Transmission Customers shall submit all schedules electronically in a form

Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedules 8 and 11. In the event that a Transmission Customer (including Third-Party Sales by a Transmission Owner) exceeds its non-firm capacity reservation, the Transmission Customer shall pay the following penalty (in addition to the charges for all of the non-firm capacity used): 200% of the Non-Firm Point-to-Point Transmission Service Charge under Schedule 8 plus 200% of the Base Plan Charge assessed under Schedule 11 for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. The Transmission Provider shall compensate the Transmission Owners for 100% of the Non-Firm Point-to-Point Transmission Service charge and of the Base Plan Charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs. For the amounts exceeding the non-firm capacity reservation, the Transmission Customer must replace losses as required by this Tariff. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedules 8 and 11.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: All scheduling practices and schedules submitted by Transmission Customers will be consistent with applicable North American Electric Reliability Council Policies and SPP Criteria. Transmission Customers shall submit all schedules electronically in a form specified by The Transmission Provider. Schedules for Non-Firm Point-To-Point Transmission Service, other than for Next-Hour-Market Service, must be submitted to the Transmission

200% of the Non-Firm Point-to-Point Transmission Service Charge under Schedule 8 plus 200% of the Base Plan Charge assessed under Schedule 11 for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. These penalty revenues shall reduce the Transmission Provider's administrative costs.

15 Service Availability

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

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

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

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

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

24.3 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range specified by the Transmission Provider, in consultation with the appropriate Transmission Owners, pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). In addition the Transmission Customer also shall pay any applicable Ancillary Service Costs, ~~and~~ Wholesale Distribution Service charges (Schedule 10), and Base Plan Charges (Schedule 11).

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

28.3 Network Integration Transmission Service: The Transmission Provider will provide firm transmission service over the Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Owner(s') use of the Transmission System to reliably serve Native Load Customers.

28.4 Secondary Service: The Network Customer may use the Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, with no additional charges imposed under Schedules 7, 8, ~~or 9~~, or 11. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff or any non-firm point-to-point service under any other transmission tariff or agreement where the service is being provided by a Transmission Owner.

established Load Shedding and Curtailment procedures or to cease or reduce service in response to a directive by the Transmission Provider, the Network Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the service used): 200% of the Network Integration Transmission Service charge for the applicable month under Schedule 9 plus 200% of the Base Plan Charge assessed under Schedule 11. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. The Transmission Provider shall compensate the Transmission Owners for 100% of the Network Integration Transmission Service charge and of the Base Plan Charge for the period for which they have provided service. The penalty revenues in excess of that amount shall be used to reduce the Transmission Provider's administrative costs.

34 Rates and Charges

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

34.1 Monthly Demand Charge for all Zones except Zone 1: Except as provided in Section 34.1a, for all network load served by the Transmission Provider, other than network load physically located within the Public Service Company of Oklahoma and Southwestern Electric Power Company, Subsidiaries of American Electric Power, Inc. Zone, the Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Existing Zonal Annual Transmission Revenue Requirement specified in Attachment H for each Zone in which the Network Customer's Network Load is physically located. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3,

the Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Existing Zonal Annual Transmission Revenue Requirement specified in Attachment H for the Zone that is the basis for charges under Schedule 9.

34.1a Monthly Demand Charge – Zone 1: For all network load physically located within the Public Service Company of Oklahoma and Southwestern Electric Power Company, Subsidiaries of American Electric Power, Inc. Zone, the Network Customer shall pay a monthly Demand Charge calculated as shown on Addendum 1 to Attachment H.

34.2 Determination of Network Customer's Monthly Network Load: The Network Customer's monthly Network Load is its hourly load (60 minute, clock-hour); provided, however, the Network Customer's monthly Network Load will be its hourly load coincident with the monthly peak of the Zone where the Network Customer load is physically located. Where a Network Customer has Network Load in more than one Zone, the monthly Network Load will be determined separately for each Zone. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, the Network Customer's monthly Network Load will be its hourly load coincident with the monthly peak of the Zone that is the basis for charges under Schedule 9.

prior to the retail load receiving the right to choose a different supplier; and (3) its bundled load under Grandfathered Agreements. For purposes of this provision the non-rate terms and conditions are those that would apply to Network Customers. In addition, unless a Transmission Owner executes a Service Agreement under this Part III, it will not be considered as taking Network Integration Transmission Service.

V. Recovery of Costs for Base Plan Upgrades

40. Base Plan Charge

SPP shall assess a Base Plan Charge to recover the revenue requirement of facilities classified as Base Plan Upgrades.

41. Applicability of Base Plan Charges

Base Plan Charges shall be determined in accordance with Schedule 11 and assessed to:

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

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

(c) Transmission Customers taking Point-to-Point Transmission Service under the SPP Tariff.

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

5. Direct Assignment Costs: Where a System Impact and/or Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule and Tariff. The annual costs of the facility shall be calculated by multiplying the levelized fixed charge rate of the Transmission Owner by the nondepreciated cost of the facility. Each month the Transmission Customer shall pay a charge based on such annual costs divided by twelve. Any such charge will be filed with the Commission.

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

7. Base Plan Charges: The Transmission Customer shall pay all charges assessed pursuant to Schedule 11.

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

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

7. Base Plan Charges: The Transmission Customer shall pay all charges assessed pursuant to Schedule 11.

SCHEDULE 9

Network Integration Transmission Service

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

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

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4. Direct Assignment Costs: Where a System Impact and/or Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule and Tariff. The annual costs of the facility shall be calculated by multiplying the levelized fixed charge rate of the Transmission Owner by the nondepreciated cost of the facility. Each month the Transmission Customer shall pay a charge based on such annual costs divided by twelve.

5. Wholesale Distribution Service: Where Wholesale Distribution Service is provided to effectuate Network Integration Transmission Service, the Network Customer shall pay all charges levied pursuant to the Wholesale Distribution Service Agreement and Schedule 10.

6. Base Plan Charges: The Transmission Customer shall pay all charges assessed pursuant to Schedule 11.

SCHEDULE 11

Base Plan Charge

I. Introduction

Pursuant to Part V of this Tariff, the Network Customer and the Transmission Owner shall pay the Transmission Provider Base Plan Charges to recover the revenue requirement of facilities classified as Base Plan Upgrades based on their Resident Load in accordance with Section II of this Schedule. Likewise, the Transmission Customer taking Point-to-Point Transmission Service under the SPP Tariff shall pay the Transmission Provider Base Plan Charges to recover the revenue requirement of facilities classified as Base Plan Upgrades based on Reserved Capacity in accordance with Section III of this Schedule.

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

II. Base Plan Charges to Resident Load

A. Base Plan Zonal Charge to Resident Load

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

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

The Network Customer's or Transmission Owner's monthly zonal Resident Load is its integrated hourly load coincident with the monthly peak of the Zone where the Resident Load is physically located. Where a Network Customer or Transmission Owner has Resident Load in more than one Zone, the monthly Resident Load will be determined separately for each Zone. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, the Network Customer's monthly Resident Load will be its hourly load coincident with the monthly peak of the Zone that is the basis for charges under Schedule 11.

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

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

B. Base Plan Region-wide Charge to Resident Load

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

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

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

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

The Transmission Provider's monthly regional Transmission System load is the sum of the monthly Zone transmission load for each Zone, where the

monthly zone transmission load for each Zone is determined on a non-coincident basis in accordance with Section II.A.2.

III. Base Plan Charge for Point-to-Point Transmission Service

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

The Base Plan Zonal Charge shall be assessed to Transmission Customers taking Firm or Non-Firm Point-to-Point Transmission Service under the SPP Tariff. The Transmission Customer shall pay the Base Plan Zonal Rate (per kW of Reserved Capacity) based upon the Zone where the load is located for Point-to-Point Transmission Service where the generation source is outside the SPP Region and the load is located within the SPP Region and for Point-to-Point Transmission Service where both the generation source and the load are located within the SPP Region. For Point-to-Point Transmission Service where the generation source is located within the SPP Region and the load is located outside of the SPP Region, and for Point-to-Point Transmission Service where both the generation source and the load are located outside of the SPP Region, the Transmission Customer shall pay the Base Plan Zonal Rate (per kW of Reserved Capacity) for the Zone interconnected with the Control Area, external to the SPP Region, that is the designated Point of Delivery. Where there is more than one Zone interconnected with such Control Area, the lowest Base Plan Zonal Rate of the interconnected Zones is applicable. The Base Plan Zonal Rates shall be calculated in accordance with Section III.D.

B. Base Plan Region-wide Charge for Point-to-Point Transmission Service

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

C. Base Plan Region-wide Rate for Point-to-Point Transmission Service

1. Determination of Annual Base Plan Region-wide Rate

The Base Plan Region-wide Annual Transmission Revenue Requirement specified in Attachment H is the basis for the Base Plan Region-wide Rate. The

annual Base Plan Region-wide Rate for Firm Point-to-Point Transmission Service shall be determined in accordance with the following formula:

$$\text{BPRR} = \frac{\text{BPRATRR}}{\text{MRTL}}$$

in which

BPRR = the annual Base Plan Region-wide Rate

BPRATRR = the Base Plan Region-wide Annual Transmission Revenue Requirement as specified in Attachment H

MRTL = the average of the sum of the monthly regional Transmission System load for the twelve months of the calendar year on which the rate is based. The monthly regional Transmission System load is determined in accordance with Section II.B.2.

2. Base Plan Region-wide Rate for Firm Point-to-Point Transmission Service

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

Per month = annual Base Plan Region-wide Rate divided by 12;

Per week = annual Base Plan Region-wide Rate divided by 52;

Per day "on peak" = the "per week" Base Plan Region-wide Rate divided by 5; provided that the rate for 5 to 7 consecutive days may not exceed the "per week" Base Plan Region-wide Rate; and

Per day "off peak" = the "per week" Base Plan Region-wide Rate divided by 7.

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

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

Per month = annual Base Plan Region-wide Rate divided by 12;

Per week = annual Base Plan Region-wide Rate divided by 52;

Per day "on peak" = the "per month" Base Plan Region-wide Rate multiplied by 12 then divided by 260;

Per day "off peak" = the "per month" Base Plan Region-wide Rate multiplied by 12 then divided by 365;

Per hour "on peak" = the "per month" Base Plan Region-wide Rate multiplied by 12 then divided by 4160; and

Per hour "off peak" = the "per month" Base Plan Region-wide Rate multiplied by 12 then divided by 8760.

4. Total Region-wide Base Plan Charge

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

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

1. Determination of Annual Base Plan Region-wide Rate

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

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

in which

BPZR = the annual Base Plan Zonal Rate for the Zone

BPZATRR = the Base Plan Zonal Annual Transmission Revenue Requirement for the Zone as specified in Attachment H

MZTL = the average of the sum of the monthly zone transmission load for the Zone for the twelve months of the calendar year on which the rate is based. The monthly zone transmission load is determined in accordance with Section II.A.2.

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

The Base Plan Zonal Rate for Firm Point-to-Point Transmission Service for each Zone shall be:

$$\text{Per month} = \frac{\text{annual Base Plan Zonal Rate for the Zone}}{12};$$

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Per week = annual Base Plan Zonal Rate for the Zone divided by 52;

Per day "on peak" = the "per week" Base Plan Zonal Rate for the Zone divided by 5; provided that the rate for 5 to 7 consecutive days may not exceed the "per week" Base Plan Zonal Rate;

Per day "off peak" = the "per week" Base Plan Zonal Rate for the Zone divided by 7.

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

The Base Plan Zonal Rate for Non-Firm Point-to-Point Transmission Service for each Zone shall be:

Per month = annual Base Plan Zone Rate for the Zone divided by 12;

Per week = annual Base Plan Zonal Rate for the Zone divided by 52;

Per day "on peak" = the "per month" Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 260;

Per day "off peak" = the "per month" Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 365;

Per hour "on peak" = the "per month" Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 4160; and

Per hour "off peak" = the "per month" Base Plan Zonal Rate for the Zone multiplied by 12 then divided by 8760.

4. Total Zonal Base Plan Charge

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

E. On-Peak and Off-Peak

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

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

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

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

Southwest Power Pool:

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

Transmission Customer:

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

ATTACHMENT B

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

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

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- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, ~~and III~~ and V of the Tariff and this Agreement with attached Specifications.
- 3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff as it currently exists, or as it is hereafter amended is incorporated in this Agreement by reference. In the case of any conflict between this Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The Completed Specifications are based on the information provided in the Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Agreement shall commence on such date as it is permitted to become effective by the Commission. This Agreement shall be effective through _____. Thereafter, it will continue from year to year unless terminated by the Network Customer or the Transmission Provider by giving the other one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Agreement.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.
- 6.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I and III of the Tariff and this Agreement with attached Specifications.

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6.0 Delivery Points

The delivery points are the meters of _____ identified in Section 2.0 as the Network Load.

7.0 Receipt Points

The Points of Receipt are listed in Appendix 2.

8.0 Compensation

Service under this Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

8.1 Transmission Charge

Monthly Demand Charge per Section 34. and Part V+ of the Tariff.

8.2 System Impact and/or Facility Study Charge

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

8.3 Direct Assignment Facilities Charge

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

8.4 Ancillary Service Charges

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

- a) Scheduling and Tariff Administration Service per Schedule 1 of the Tariff

ATTACHMENT H

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

1. The Existing Zonal Annual Transmission Revenue Requirement within each Zone for purposes of determining the charges under Schedule 9, Network Integration Transmission Service, is specified in column 3. The Base Plan Zonal Annual Transmission Revenue Requirement within each Zone for the purposes of determining the zonal charges under Schedule 11, Base Plan Charges, is specified in column 4. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service within each Zone shall be:

Zone 1:	Public Service Company of Oklahoma and Southwestern Electric Power Company, Subsidiaries of American Electric Power, Inc.	\$ 88,681,579
Zone 2:	Cleco Corporation	\$ 29,328,000
Zone 3:	City Utilities of Springfield, Missouri	\$ 8,651,509
Zone 4:	Empire District	\$ 14,075,000
Zone 5:	Grand River Dam Authority (Est.)	\$ 24,589,256
Zone 6:	Kansas City Power and Light Company	\$ 35,461,776
Zone 7:	Oklahoma Gas & Electric Company	\$ 65,065,032
Zone 8:	Mid-West Energy	\$ 4,197,347
Zone 9:	Missouri Public Service	\$ 18,884,642
Zone 10:	Southwestern Power Administration	\$ 8,752,200
Zone 11:	Southwestern Public Service	\$ 64,200,000
Zone 12:	Sunflower Electric Cooperative	\$ 19,637,429
Zone 13:	Western Farmers Electric Cooperative	\$ 20,719,639
Zone 14:	Western Resources, Inc. (Kansas Gas & Electric and Western Resources)	\$ 66,491,775
Zone 15:	West Plains Energy	\$ 15,728,043

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<u>(1)</u> <u>Zone</u>	<u>(2)</u>	<u>(3)</u> <u>Existing</u> <u>Zonal ATRR</u>	<u>(4)</u> <u>Base Plan</u> <u>Zonal ATRR</u>
<u>1</u>	<u>American Electric Power (Public Service Company of Oklahoma, Southwestern Electric Power Company, and SPP portion of Texas North Company)</u>	<u>\$ 88,681,579</u>	<u>\$0</u>
<u>2</u>	<u>Cleco Corporation</u>	<u>\$ 29,328,000</u>	<u>\$0</u>
<u>3</u>	<u>City Utilities of Springfield, Missouri</u>	<u>\$ 8,651,509</u>	<u>\$0</u>
<u>4</u>	<u>Empire District Electric Company</u>	<u>\$ 14,075,000</u>	<u>\$0</u>
<u>5</u>	<u>Grand River Dam Authority (Est.)</u>	<u>\$ 24,589,256</u>	<u>\$0</u>
<u>6</u>	<u>Kansas City Power & Light Company</u>	<u>\$ 35,461,776</u>	<u>\$0</u>
<u>7</u>	<u>Oklahoma Gas & Electric Company</u>	<u>\$ 65,065,032</u>	<u>\$0</u>
<u>8</u>	<u>Midwest Energy, Inc.</u>	<u>\$ 4,197,347</u>	<u>\$0</u>
<u>9</u>	<u>Missouri Public Service</u>	<u>\$ 18,884,642</u>	<u>\$0</u>
<u>10</u>	<u>Southwestern Power Administration</u>	<u>\$ 7,427,000</u>	<u>\$0</u>
<u>11</u>	<u>Southwestern Public Service</u>	<u>\$ 64,200,000</u>	<u>\$0</u>
<u>12</u>	<u>Sunflower Electric Cooperative</u>	<u>\$ 19,637,429</u>	<u>\$0</u>
<u>13</u>	<u>Western Farmers Electric Cooperative</u>	<u>\$ 20,719,639</u>	<u>\$0</u>
<u>14</u>	<u>Westar Energy, Inc. (Kansas Gas & Electric and Westar Energy)</u>	<u>\$ 66,491,775</u>	<u>\$0</u>
<u>15</u>	<u>West Plains Energy</u>	<u>\$ 15,728,043</u>	<u>\$0</u>

2. The Base Plan Region-wide Annual Transmission Revenue Requirement for the purposes of determining the region-wide charges under Schedule 11 shall initially be \$0.
32. The amounts in (1) and (2) shall be effective until amended by the Transmission Owner or modified by the Commission or other applicable regulatory authority.
4. The revenue requirements stated in Attachment H shall not be changed absent a filing with the Commission.

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ADDENDUM 1 TO ATTACHMENT H

MONTHLY DEMAND CHARGE CALCULATION FOR ZONE 1 NETWORK INTEGRATION TRANSMISSION SERVICE

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

Unless a different rate is approved by the Commission, the monthly Demand Charge for Zone 1 for Network Customers within that zone during the year 2001 shall be determined by multiplying the Network Customer's monthly Network Load, determined in accordance with the provisions of Section 34.2, expressed in MW, times the rate per MW-month determined by dividing the Zone 1 Existing Zonal Annual Transmission Revenue Requirement~~revenue requirement~~, specified in Attachment H, by the sum of the twelve (12) coincident peak loads during the year 2000.

Until a different rate has been approved by the Commission, such rate for each succeeding calendar year, to be effective on and after January 1, of such succeeding year, will be calculated by dividing the Zone 1 Existing Zonal Annual Transmission Revenue Requirement~~revenue requirement~~, specified in Attachment H, by the sum of the twelve (12) coincident peak loads during the preceding calendar year. The rate for 2001, pursuant to the above, is \$1,013.18 per MW-month.

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ATTACHMENT J

Recovery Of Costs Associated With New Facilities

I4. Direct Assignment Facilities

Where a System Impact and/or Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities. Such costs shall be specified in a Service Agreement.

II2. Network Upgrades

~~a. The costs of completed Network Upgrades shall be handled as follows:~~

~~i. Prior to February 1, 2006:~~

~~The Transmission Customer(s) requesting Transmission Service which requires Network Upgrades shall pay the costs associated with those Network Upgrades to the extent consistent with Commission policy. Such costs shall be specified in a Service Agreement to be filed with the Commission.~~

~~ii. Beginning February 1, 2006:~~

~~All Network Upgrades constructed for service under this Tariff shall be rolled in with all other transmission facilities. There shall be no direct assignment of Network Upgrade costs to Transmission Customers. However, the Transmission Provider shall not allow the construction and roll in of a Network Upgrade when the Transmission Provider finds more economic or efficient alternatives. This roll in of Network Upgrade costs shall not include the portion of any such Network Upgrades paid for during the Transition Period through direct assignment to Transmission Customer(s).~~

There shall be four types of Network Upgrades: Base Plan Upgrades, Economic Upgrades, Requested Upgrades, and generation interconnection related Network Upgrades as defined in Attachment V to this Tariff. The costs of completed Network Upgrades shall be allocated as specified in Sections III through VI of this Attachment.

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III. Base Plan Upgrades

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

A. Allocation of Base Plan Upgrade Costs

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

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2. If the cost of a Base Plan Upgrade is greater than \$100,000, then:

- i. X% of the annual transmission revenue requirement associated with such Base Plan Upgrade shall be allocated to the Base Plan Region-wide Annual Transmission Revenue Requirement and recovered through the Base Plan Region-wide Charge. The initial value of X shall be 33%.
- ii. (100-X)% of the annual transmission revenue requirement associated with such Base Plan Upgrade shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement and recovered through the Base Plan Zonal Charge. This portion of the annual transmission revenue requirement for each Base Plan Upgrade shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement of specific Zones based on the Zones' share of the incremental MW-mile benefits as computed in Section 4 of Attachment S to this Tariff. Each Zone with a benefit of at least 10 MW-miles from a given Base Plan Upgrade shall be allocated a portion of the Base Plan Zonal Annual Transmission Revenue Requirement for such upgrade based on its incremental MW-mile benefit divided by the sum of the incremental MW-mile benefits for all of those Zones with a benefit of at least 10 MW-miles from the upgrade.

B. Conditions for Classifying Upgrades Associated with Designated Resources As Base Plan Upgrades

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

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Network Upgrades, with a cost that exceed \$100,000, associated with new or changed Designated Resources shall be classified as Base Plan Upgrades if the Designated Resource or the associated upgrades (as applicable) meets each of the following conditions:

1. The Transmission Customer's commitment to the Designated Resource has a duration of at least five years;
2. In the first year the Designated Resource is planned to be used by the Transmission Customer, the accredited capacity of the Transmission Customer's existing Designated Resources plus the lesser of: (a) the planned maximum net dependable capacity applicable to the Transmission Customer or (b) the requested capacity; shall not exceed 125% of the Transmission Customer's projected system peak responsibility determined pursuant to SPP Criteria 2; and
3. The cost of Network Upgrades associated with the new or changed Designated Resource is less than or equal to \$180,000/MW times the lesser of: (a) the planned maximum net dependable capacity applicable to the Transmission Customer or (b) the requested capacity (the "Safe Harbor Cost Limit").

The Transmission Customer must provide SPP the information that SPP deems necessary to verify that the new or changed Designated Resource meets conditions 1 and 2 above.

If the Designated Resource or the associated upgrades (as applicable) does not meet the conditions set forth in 1 and 2 above, and the Transmission Customer does not secure a waiver of the relevant condition(s), the costs of the upgrades will be directly assigned to the Transmission Customer. If the costs of upgrades associated with a new or changed Designated Resource exceeds the Safe Harbor Cost Limit, and the Transmission Customer does not secure a waiver of that limit, the costs of the upgrades in excess of the limit will be directly assigned to the Transmission Customer. The Transmission Customer shall receive transmission

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revenue credits in accordance with Attachment Z to this Tariff for any such directly assigned costs.

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

1. Waiver Process

If the Designated Resource or the associated upgrade (as applicable) does not meet one or more of the conditions in Section III.B. of this Attachment, the Transmission Customer may seek a waiver from SPP in order that the costs of the Network Upgrade may be classified in whole or in part as Base Plan Upgrade costs.

If the Designated Resource does not meet the conditions set forth in Section III.B.1. or III.B.2. of this Attachment, the Transmission Customer must submit its request for a waiver to SPP simultaneous with its designation of a new or changed Designated Resource to be included in the SPP Transmission Expansion Plan.

Studies performed by SPP as part of the transmission expansion planning process will determine whether the costs for Network Upgrades associated with a new or changed Designated Resource may exceed the Safe Harbor Cost Limit. If SPP determines that the costs for Network Upgrades associated with a new or changed Designated Resource may exceed the Safe Harbor Cost Limit, SPP shall notify the affected Transmission Customer. If the affected Transmission Customer intends to request a waiver regarding the costs in excess of the Safe Harbor Cost Limit, the Transmission Customer must submit to SPP its request for a waiver within 15 days of such notice.

Following receipt of a request for a waiver, SPP will review the request and make a determination on a non-discriminatory basis of whether a waiver should be granted based upon consideration of the factors described in Section III.C.2. of this Attachment. The Transmission Customer requesting the waiver shall be responsible for the reasonable costs of any studies that SPP performs in

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making its determination. SPP will provide a report and recommendation to the Markets and Operations Policy Committee for each requested waiver. The Markets and Operations Policy Committee will consider the waiver request and the SPP report and recommendation, and will provide its own recommendation (along with the SPP report and recommendation) regarding each requested waiver to the SPP Board of Directors. Barring unusual circumstances, a valid waiver request will be reviewed and submitted to the SPP Board of Directors within 120 days following the receipt of the waiver request.

2. Factors to be Considered in Evaluating Waiver Requests

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

- i. There are insufficient competitive resource alternatives for one or more Transmission Customers.
- ii. The resource that is the subject of the designation utilizes a source of fuel that benefits the SPP Region by providing needed fuel diversity.
- iii. In the event that the aggregate costs of a Network Upgrade exceed the Safe Harbor Cost Limit, (i) those costs up to the level of the Safe Harbor Cost Limit shall be classified as Base Plan Upgrade costs, and (ii) those costs that exceed the Safe Harbor Cost Limit may be classified in whole or in part as Base Plan Upgrade costs taking into account the extent to which the duration of the Transmission Customer's commitment to the new or changed Designated Resource exceeds the five-year commitment period set forth in paragraph III.B.1 above.

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iv. The five-year commitment period for the new or changed Designated Resource may be waived if: (i) the associated Network Upgrade costs are significantly less than the Safe Harbor Cost Limit; or (ii) the associated Network Upgrades provide benefits to other Transmission Customers that would offset in less than five years any costs allocated to them as a result of the upgrade being classified as a Base Plan Upgrade.

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

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

D. Review of Base Plan Allocation Methodology

1. SPP shall review the reasonableness of the regional allocation factor (X%) and the zonal allocation methodology at least once every five years. The SPP and/or the Regional State Committee may initiate a review of the regional allocation factor and/or the zonal allocation methodology if either body determines that circumstances warrant. Any change in the regional allocation factor and/or the zonal allocation methodology shall be filed with the Commission.

2. For each SPP Transmission Expansion Plan, SPP shall calculate the cost allocation impacts of the Base Plan Upgrades to each Transmission Customer within the SPP Region. The results will be reviewed for unintended consequences by the Regional Tariff Working Group and reported to the Markets and Operations Policy Committee and Regional

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State Committee.

IV. Economic Upgrades

The cost of an Economic Upgrade shall be borne voluntarily by the Project Sponsors. The Project Sponsors shall receive transmission revenue credits in accordance with Attachment Z to this Tariff.

V. Requested Upgrades

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

VI. Generation Interconnection Related Network Upgrades

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

VII. Treatment of Upgrades that Permit Deferral or Avoidance of Base Plan Upgrades

A. Base Plan Avoided Revenue Requirement

To the extent an Economic Upgrade, a Requested Upgrade or a generation interconnection related Network Upgrade defers or displaces the need for a Base Plan Upgrade, SPP shall calculate the Base Plan Avoided Revenue Requirements that are achievable due to such upgrade. The Base Plan Avoided Revenue Requirements shall be capped at the original project costs for the approved Base Plan Upgrade which is deferred or displaced. If such upgrade defers or displaces the need for a Base Plan Upgrade associated with a new or changed Designated Resources for which the costs exceed the Safe Harbor Cost Limit, the Base Plan Avoided Revenue Requirements shall be capped at the Safe Harbor Cost Limit. That portion of such an upgrade that defers or displaces the need for a Base Plan Upgrade shall be considered a Base Plan Upgrade for the purposes of cost allocation to the extent of the Base Plan Avoided Revenue Requirements.

B. Deferred Base Plan Upgrade

In the case of a Base Plan Upgrade that may be deferred as a result of the Economic Upgrade, Requested Upgrade or generation interconnection related Network Upgrade (“Deferred Base Plan Upgrade”), the achievable Base Plan Avoided Revenue Requirement shall be equal to the time value of the affected Transmission Owner’s(s’) revenue requirement(s) for the Deferred Base Plan Upgrade over the period of the deferral, calculated as follows:

1. A Transmission Owner’s annual revenue requirement for a Deferred Base Plan Upgrade shall be determined using the same method as is used by the Transmission Owner to calculate its revenue requirement for transmission facilities for other purposes, but applying that method to the projected incremental investment in the Deferred Base Plan Upgrade.
2. The time value of the deferral shall be calculated by discounting to present value the avoided annual revenue requirement for each individual year in the deferral period and summing the resulting values. For each individual year in the deferral period, the time value of the deferral will be determined by discounting the annual revenue requirement for that year first from January 1 of that year and then from December 31 of that year, summing the two resulting values, and dividing by two. For any partial year encompassed by the deferral period, the time value of the deferral shall be calculated in the same manner as indicated in the immediately preceding sentence, except that the resulting value will be pro-rated based on the number of months in the partial year divided by 12.

C. Displaced Base Plan Upgrade

In the case of a Base Plan Upgrade that may be displaced as a result of the Economic Upgrade, Requested Upgrade or generation interconnection related Network Upgrade (“Displaced Base Plan Upgrade”), the achievable Base Plan Avoided Revenue Requirement shall be equal to the time value of the affected Transmission Owner’s(s’) revenue requirement(s) for the Displaced Base Plan Upgrade over the expected service

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life of the facility that is displaced. The methodology for calculating the Base Plan Avoided Revenue Requirement shall be the same as set forth in Section VII.B. of this Attachment, except that the expected service life of the facility shall be substituted for the deferral period in all instances.

D. Allocation of Base Plan Avoided Revenue Requirements

The Base Plan Avoided Revenue Requirements shall be allocated as follows:

1. X% of the Base Plan Avoided Revenue Requirements shall be allocated to the Base Plan Region-wide Transmission Revenue Requirement and recovered through the Base Plan Region-wide Charge. The initial value of X shall be 33%.
2. (100-X)% of the Base Plan Avoided Revenue Requirements shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement and recovered through the Base Plan Zonal Charge. The portion of the Base Plan Avoided Revenue Requirements which shall be allocated to the Base Plan Zonal Annual Transmission Revenue Requirement shall be allocated to the specific Zones that would have benefited from the Base Plan Upgrade project(s) that will be deferred or displaced. The zonal allocation of the Base Plan Avoided Revenue Requirements shall be determined in accordance with Section III.A. of this Attachment and Section 4 of Attachment S to this Tariff.
3. The Project Sponsor(s) for an Economic Upgrade, the Transmission Customer for a Requested Upgrade or the Interconnection Customer for a generation interconnection related Network Upgrade shall be responsible for the net of the present value of the total costs for its upgrade less the present value of the Base Plan Avoided Revenue Requirements. The method for determining the Base Plan Avoided Revenue Requirement shall be filed with the Commission prior to the imposition of any charges or credits hereunder.

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VIII. Uncompleted Network Upgrades

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

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

ATTACHMENT K

Redispatch Procedures and Redispatch Costs

I. Redispatch to Accommodate a request for Firm Transmission Service

A. Purpose

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

B. Obligations

The Transmission Provider shall arrange for the redispatch of the generation resources of the Transmission Owner(s) or other willing generators for the stated purpose if it (they) have agreed to provide the redispatch service. As a condition precedent to receiving Firm Point-to-Point or Network Integration Transmission Service, a Transmission Customer agrees to pay (1) the applicable Transmission Service charges described in Schedules 1 through ~~1140~~ 1140; and (2) the actual redispatch cost necessary to relieve transmission constraints. To the extent practical, the redispatch of all such resources shall be on a least cost basis. The total charges to be paid by the Transmission Customer under this Tariff shall not exceed the total charges the Transmission Customer would have paid under the Transmission Service Tariffs of the Transmission Owners for the Transmission Service in the same amount from the same Point of Receipt to the same Point of Delivery unless any additional charges to the Transmission Customer are permitted by Commission policy.

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ATTACHMENT L

TREATMENT OF REVENUES

I. Payments and Distribution of Revenues

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

II. Allocation of ~~Base~~ Transmission Service Revenues

A. Grandfathered Agreements

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

B. Network Integration Transmission Service

Revenues collected by the Transmission Provider for Network Integration Transmission Service under Schedule 9 shall be fully allocated to the Transmission Owner(s) of the host Zone. Where a Network Customer has designated Network Load not physically interconnected with the Transmission System under Section 31.3, revenues collected by the Transmission Provider for Network Integration Transmission Service for that network load shall be allocated to the Transmission Owners on the same basis as Point-To-Point Transmission Service.

C. Point-To-Point Transmission Service

Except to the extent required under Section IV of this Attachment L, revenues collected by the Transmission Provider for Point-To-Point Transmission Service under Schedules 7 and 8 shall be allocated as follows:

1. Revenues collected by the Transmission Provider for Point-To-Point Transmission Service under Schedules 7 and 8 associated with power transactions where the generation source(s) and load(s) are located within the host Zone shall be fully allocated to the Transmission Owner of that host Zone whether the generation source is controlled by the Transmission Owner or another entity.

2. All other Transmission Provider Point-To-Point Transmission Service revenues under Schedules 7 and 8 collected by the Transmission Provider (i.e., other than those revenues specified in paragraph C.1) are shared between all Zones fifty percent (50%) in proportion to Existing Zonal Annual Transmission Revenue Requirements ~~annual revenue requirements~~; and fifty percent (50%) based upon the MW-mile impacts incurred by the Transmission Owners. The Existing Zonal Annual Transmission Revenue Requirements ~~annual revenue requirements~~ used shall be those stated in Attachment H. The MW-mile impacts shall be determined by use of the procedures in Attachment S.

3. Where there are Transmission Owners within a Zone whose facilities have not been included in the rates stated in Attachments H and T, the Transmission Provider will further allocate the Point-to-Point Transmission Service revenues allocated to that Zone among the Zones Transmission Owners on the same basis as the revenues are allocated to the Zone. For the application of this provision each Transmission Owner shall have an annual revenue requirement filed with the Commission.

4. For Point-To-Point revenue collected for use over transmission facilities that have been upgraded in an aggregate study, a portion of the revenue will be credited to the Transmission Customers. Transmission Customers who funded the upgrade will receive a portion of the revenue equal to the response factor percentage of each reservation based on the monthly ATC calculation. Allocation shall continue for all new requests until such time as Transmission Customers have been fully compensated for the portion of the upgrade over the base transmission

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service rate, including interest per the Commission's regulations at 18 C.F.R. § 35.19a(a) (2) (iii). The amount of revenue allocated to Transmission Customers shall not exceed %100 of the revenue from Schedules 7 and 8 after the Transmission Provider has paid for upgrades required to provide the new service. For multiple Transmission Customers having a pro-rata allocation of an upgrade, the response factor percentage amount shall be divided based on the pro-rata allocation until each has been fully compensated. This allocation shall also apply to Transmission Owners direct assignment costs who exercise their right to upgrade facilities.

III. Allocation of Revenues from Base Plan Charges

Revenues associated with the Base Plan Zonal Annual Transmission Revenue Requirement and with the Base Plan Region-wide Annual Transmission Revenue Requirement, specified in Attachment H and collected by the Transmission Provider under Schedule 11, shall be allocated to Transmission Owners owning Base Plan Upgrades in proportion to their respective annual transmission revenue requirements for Base Plan Upgrades.

IV.HH. Allocation of Other Revenues

1. Revenues associated with redispatch service will be paid to the generation owner providing the service for the Transmission Provider.
2. Revenues associated with Reactive Supply and Voltage Control from Generation Sources Services under Schedule 2 will be paid to the generation owner providing the service for the Transmission Provider consistent with the development of the charges under Schedule 2.

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3. Energy or revenues received as compensation for transmission losses shall be distributed consistent with Attachment M.
4. Revenues associated with Scheduling and Tariff Administration Service under Schedule 1 will remain with the Transmission Provider to pay for the costs of providing that service (except for the revenues for related services provided by individual Control Areas for the movement of power within, into, or out of the respective Control Areas which shall go to the appropriate Transmission Owner(s)).
5. Payments associated with penalties imposed under this Tariff will be used to reduce the Transmission Provider's Scheduling and Tariff Administration Service costs (though the non-penalty portion of the charge will go back to the Transmission Owner(s) that actually provided the service).
6. Transmission Owner costs associated with System Impact and Facilities Studies compensated by the Transmission Customer shall go to the appropriate Transmission Owner(s).
7. The revenues associated with Direct Assignment Facilities shall go directly to the Transmission Owner(s) owning the facilities.
8. The revenues associated with Network Upgrades, not otherwise provided for in Section III of this Attachment L, shall be first assigned to the Transmission Owner building the Network Upgrades to meet the annual revenue requirements of such facilities. If multiple Transmission Owners construct the facilities, the revenues shall be shared in accordance with each Transmission Owner's respective revenue requirement for such facilities or as otherwise agreed by the Transmission Owners. The remaining revenues shall be allocated in accordance with Section II of this Attachment L.
98. The revenues associated with Wholesale Distribution Service shall go directly to the Transmission Owner(s) owning the facilities consistent with Schedule 10.

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109. Any additional revenues received under Section 22.1 shall be treated in the same manner as revenues under Section II.D. of this Attachment L.

IVV. Exception to the Provisions of Section II.C of this Attachment L

Pursuant to the Agreement of the Southwest Power Pool Transmission Owners and Southwest Power Pool for the Upgrade for the LaCygne to Stilwell 345 kV Transmission Line (“LaCygne-Stilwell Agreement”) submitted to the FERC on February 20, 2003 in Docket No. ER03-547, and conditionally accepted by the Commission in an order dated April 10, 2003, the Transmission Provider and the Transmission Owners agreed to create an exception to the provisions of this Attachment L for the sole purpose of distributing revenues associated with upgrades to the LaCygne to Stilwell 345 kV line, as set forth in the LaCygne-Stilwell Agreement, which has been incorporated into this Attachment L.

ATTACHMENT S

Procedure for Calculation of MW-Mile Impacts for Use in Assignment of Revenue Requirements, Revenue Allocation and Determination of Losses

1. Introduction

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

2. Definitions, Models and Parameters Used

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

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- 2.1.1 Seasonal Models - The seasonal models used in the calculations are the Summer Peak Load Operating ~~Model model~~ and the Winter Peak Load Operating ~~Model model~~, as modified for use in the MW-mile analysis~~transmission service charge computations~~. Modifications to the models include some AREA (SPP Transmission Owners are represented by AREAs in the model) renumbering and required changes to phase shifter representations as outlined in section 2.1.4. Estimated MW-mile ~~MW Mile~~ impacts for future Summer and Winter seasons may be calculated using the appropriate planning model from the annual series of SPP models.
- 2.1.2 Transmission Elements Included in the MW-mile Analysis - The intent in constructing the network model(s) is to include and accurately represent all facilities that are expected to exhibit a material response to changes on the Transmission System. This set of facilities may not include all facilities that are included in a Transmission Owner's revenue requirement.~~Transmission Service Charge Calculations—All transmission lines and terminal equipment reflected in the Transmission Owners' transmission accounts and included in transmission rates may be included in the network model.~~
- 2.1.3 Transmission Facility Rating Assumptions - The ratings used are the most limiting rating reported in the then-current SPP operating model ~~for on~~ the normal continuous MVA capacity ratings of each transmission facility ~~facilities~~ for the applicable season. For transmission lines, these ratings are normally the lesser of the conductor thermal rating and the rating of terminal equipment such as switches, wavetraps, etc. For transformers, these ratings are normally the continuous rating of the transformers. The corresponding ratings from the applicable SPP planning model are used in estimating MW-mile impacts for future years.

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

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

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

2.32.1 Transmission Lines and Terminals - Each transmission line which is to ~~be included participate~~ in the calculation of the MW-mile impacts has a record in a branch ownership file. ~~This file is required by the Megawatt-Mile Software in order to calculate MW mile impacts for use of every branch.~~ The ownership file contains two types of records for every transmission line: one record contains the total line mileage; the other reflects the percent of each Transmission Owner's "ownership" (i.e., for collecting rents) of the line. If ownership percentages for a given branch are not provided, the ownership will be divided equally to the AREA numbers in which the buses on either end of the branch reside in the loadflow model. If a transmission line does not have a mileage entry in the ownership file, it will not ~~be included participate~~ in the calculation since the line mileage is not known.

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

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

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

3. Calculating ~~the~~ Impacts for Revenue Allocation and Determination of Losses ~~Transmission Service~~

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

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~~generation ownership. A second stand alone program is required to read the
output of MWMI and to develop allocation factors.~~

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3.2 The "Megawatt-Mile" Method

- (a) The megawatt-mile technique starts from a solved loadflow model of the ~~Transmission Systems~~system. Transactions are modeled between each combination of potential parties by changing generation on the sending, or selling end, and changing the load on the receiving, or buying end. The amount by which the generation and load are changed is small. A linear analysis technique is then used to determine the distribution of flows on each branch in the network. This value is used in subsequent calculations.
- (b) Individual branch ~~impacts charges~~are calculated given the flow on the branch due to the transaction and the line mileage (for transmission lines) as described in ~~Ssection 2.2-and 2.3~~. The individual branch impacts for transmission lines are determined as follows:

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

where

P = calculated flow due to the transaction

L = line length in miles

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

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

where

P = calculated flow due to the transaction.

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

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

3.43 Application to Determination of Losses ~~Service Charge Rates~~ - Transmission service MW-mile impacts using this MW-mile methodology shall be set forth in matrices developed by SPP and posted on SPP OASIS. The matrices shall be changed twice per year. The Summer season shall consist of the months of June through September inclusive. The Winter season shall consist of the months of October through May inclusive.

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

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

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

4. Calculating the Impact for Base Plan Zonal Annual Transmission Revenue Requirement Assignment

The zonal portion of the revenue requirements associated with Base Plan Upgrades shall be assigned to Zones using the Incremental MW-mile Benefit Determination. SPP shall develop a summer season model of the Transmission System, as specified in this Attachment S, using the most recent information available, that includes all of the transmission enhancements included in the approved SPP Transmission Expansion Plan. For this benefit determination, a comparison is made between this model with all upgrades in service and with each approved upgrade removed. The difference in MW-mile impacts for each Zone provides the information necessary for the determination of the magnitude of benefit for each Zone.

4.1 Explanation of the Incremental MW-mile Benefit Determination Calculation –
The incremental MW-mile is determined by building the base case with all Base Plan Upgrades in service. A MW-mile calculation is performed by measuring the

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flows on each line multiplied by the distance as described in Section 3.2. The net change of the MW-mile impacts is used for this calculation. Then a benefit determination calculation is made with each new transmission upgrade removed individually. The reduction in MW-mile impact due to each new transmission upgrade is the measure of its zonal benefit.

4.2 The results of this MW-mile analysis shall be posted on the SPP website.

ATTACHMENT Z

AGGREGATE TRANSMISSION SERVICE STUDY PROCEDURES

I. Introduction

This attachment describes the process used to evaluate long-term transmission service requests using an Aggregate Transmission Service Study process. The Transmission Provider will combine all long-term point-to-point and long-term designated network resource requests received during a specified period of time into a single aggregate transmission service study. Using this aggregate study process, SPP will combine all requests received during an open season to conclude an optimal expansion of the transmission system that provides the necessary ATC to accommodate all such requests at the minimum total cost. ~~This attachment also details cost allocation, cost recovery, and credits associated with the new facilities.~~ For the purposes of this Attachment Z, all Transmission Owners that are not taking Network Integration Transmission Service will be treated the same as Transmission Customers taking Network Integration Transmission Service. . This attachment details: (i) cost allocation and cost recovery for Requested Upgrades; and (ii) transmission revenue credits for Requested Upgrades, Economic Upgrades, and directly assigned costs that are in excess of the Safe Harbor Cost Limit for Network Upgrades associated with new or changed Designated Resources.

2.II. Open Season

The Aggregate Transmission Service Study process commences with the initiation of an open season. The open season will be 4 months in duration. During that period, customers may make requests for long-term transmission service that start no earlier than 4 months after the close of the season. Customers may submit and withdraw requests during the open season without any obligation. At the close of the open season, the Aggregate System Impact Study (ASIS) will include only queued requests for which Aggregate System Impact Study Agreements (ASISAs) have been executed. At the close of the open season, customer will have

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15 days to execute such ASISAs per Section 19 of the Tariff. Existing long-term firm service |
Customers who desire to exercise a reservation priority

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under Section 2.2 shall do so pursuant to the terms of Section 2.2 of the Tariff and shall not be included in the aggregate study.

3.III. Aggregate Impact Study

a. At the close of the Open Season, all transmission service requests subject to an ASISA will be included in the ASIS. This study shall be done in accordance with Section 19 of the Tariff. The power flow models shall be developed for each season for the period from the earliest start of service to the latest end of service for the applicable requests. The models will include all other applicable existing reservations having equal or greater queue priority including prospective renewals of existing service having a reservation priority pursuant to Section 2.2 of the Tariff. System constraints will be identified and appropriate upgrades determined during the ASIS. The Transmission Provider shall determine the upgrades required to reliably provide all of the requested service. SPP shall also perform a regional review of the required upgrades to determine if alternative solutions would reduce overall cost to customers. The Transmission Provider shall estimate the total cost of these upgrades.

b. SPP shall recognize constraints due to contractually limited facilities and allocate available capacity on a first come first served basis on the contractual constraint only.

c. Within the ASIS the Transmission Provider will identify the facilities limiting the availability of the requested aggregate transmission service and the upgrades required to provide this service. It will also provide an estimate of the cost of those upgrades. The assignment of upgrade costs to each reservation will be provided to enable customers to estimate their costs. Upon receipt of the Impact Study, customers will have 15 days to execute an Aggregate Facilities Study Agreement (AFSA) per Section 19 of the Tariff.

IV.4. Aggregate Facilities Study

The Transmission Provider shall perform an Aggregate Facilities Study including the requests of all customers who have executed an Aggregate Facilities Study

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Agreement (AFSA). The first phase of the facilities study process shall consist of a revision of the impact study to reflect the withdrawal of requests for which an AFSA was not executed, if any. The Aggregate Facilities Study shall be done in accordance with Section 19 of the Tariff. The Transmission Provider, in conjunction with the applicable Transmission Owners, shall determine the necessary cost and lead-time for construction of each upgrade and the estimated cost of service for each request. The Transmission Provider, in conjunction with the applicable Transmission Owners, shall determine the optimal set of solutions to reduce the overall costs for the study group and reliably provide the requested service in a timely manner.

V.5. Cost Allocation for Requested Upgrades

The cost of Requested Upgrades shall be allocated in accordance with this Section.

a. For the purpose of determining the cost responsibility for each transmission service request, all upgrades required to provide transmission service for all transmission service reservations included in an Aggregate Facilities Study shall be included in an Aggregate Cost Allocation Assessment. The cost of each transmission upgrade component will be allocated to each customer in the aggregation group on a pro-rata impact basis as provided in paragraph b. The cost of a facility upgrade shall be allocated to all customers in the aggregate group whose reservation period begins after commercial operation date of a facility upgrade (COD) or begins before the COD of a facility and extends past the COD. If an upgrade is first required during a season after completion of service, no cost would be assigned to the customer. With regard to the cost allocation, SPP shall review all upgrades and determine the earliest date that each upgrade is required. This date is considered the COD for each upgrade. All requests that have a positive impact on the upgrade and for which the service has not been completed prior to the COD for such upgrade, shall be allocated costs for the upgrade. These requests shall be reviewed and the request that ends at the latest point in time (End of Term: EOT), shall define the amortization period for the facility.

b. An allocation of the cost of each facility upgrade to each request shall be determined on a pro-rata basis for the positive incremental power flow impacts of the

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requested service on such upgraded facility in proportion to the total of all incremental impacts on such upgraded facility. For each upgraded facility identified, the average incremental power flow impact of each request in the aggregate study shall be determined using each summer model available for the aggregate study period, after the COD of such upgraded facility. Each impact amount shall be determined by first establishing an initial case that excludes flows associated with all requests included in the Aggregate Facilities Study. Then each request will be added to the model and the change in flow across such upgraded facility shall be determined for each request included in the Aggregate Facilities Study. The cost of an upgrade allocated to each request shall be proportional to the average positive incremental impact of each request on such facility divided by the total average positive incremental impact of all requests included in the Aggregate Facilities Study on such upgraded facility. The cost of each upgrade shall be allocated to requests independently. Incremental flows having a negative impact on an upgraded facility shall be ignored.

c. After concluding the above cost allocations to each reservation in the aggregate group, the Transmission Provider shall determine the charges for each request by using the levelized monthly revenue requirement associated with the transmission service requested by each customer in the aggregate group. This levelized monthly revenue requirement is determined by calculating the present worth of the revenue requirements associated with the upgrades as allocated to each customer in the aggregate group and then calculating an appropriate monthly amount for each customer in the aggregate group for each respective reservation.

6VI. Cost Recovery and Transmission Revenue Credits

A. Requested Upgrades – Cost Recovery

The cost of Requested Upgrades shall be recovered in accordance with this Section. a.—For Point-to-Point Service, the levelized monthly revenue requirement derived from the cost allocation process shall be compared to the charge applicable for each request under the ~~base~~ transmission ~~access charges service rates~~ of Schedule 7, Sections ~~1 and 7~~, and each customer

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shall be required to pay the higher of the total monthly transmission access ~~base rate~~ charges or |
the monthly revenue requirement associated with the facility upgrades. For Network

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Integration Service customers the charge shall be a direct assignment charge pursuant to Schedule 9, Section 4 and each customer will be required to pay the monthly revenue requirement associated with the facility upgrades in addition to the total monthly transmission access ~~base rate~~ charges applicable under Schedule 9, Sections 1 and 6. Customers paying the above charges may receive credits in accordance with Section VI.B paragraph b of this section.

B. Requested Upgrades and Economic Upgrades – Transmission Revenue Credits

Transmission Customers paying for Requested Upgrades and Project Sponsors bearing the costs of Economic Upgrades shall receive transmission revenue credits in accordance with this Section. b. Any charges paid by a customer in excess of the transmission access charges ~~service base rate~~ in compensation for the revenue requirements for allocated facility upgrade(s) shall be recovered by such customer from future transmission service revenues until the customer has been fully compensated. Such amount shall be recovered, with interest calculated in accordance with 18 CFR §35.19a(a)(2)(ii), from new point-to-point service that increases loading on the new facility upgrade in the direction of the initial overload. For each new point-to-point reservation having such loading impact on such new facility upgrade, made after the facility upgrade is completed (EOC date), the customer shall receive a portion of the transmission service charge equal to the positive response factor of such new reservation on the upgraded facility times the new reservation capacity times the rate applicable to such new reservation. The response factor shall be calculated on a monthly basis. This allocation from new service shall continue until the customer has been fully compensated for all charges paid in excess of the normally applicable transmission access charges pursuant to Schedules 7, 8 or 9 and 11. ~~transmission service base rate.~~

C. Network Upgrades Associated with Designated Resources – Cost Recovery for Costs in Excess of the Safe Harbor Cost Limit

To the extent a waiver is not granted pursuant to Section III of Attachment J, the cost in excess of the Safe Harbor Cost Limit of Network Upgrades associated with Designated Resources shall be recovered in accordance with this Section. Each Transmission Customer shall be required to pay the monthly revenue requirement associated with the cost of facility

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upgrades that were directly assigned to that Transmission Customer in accordance with Section III.B. of Attachment J, in addition to any other applicable charges under this Tariff. Transmission Customers paying the above charges may receive credits in accordance with Section VI.D.

D. Network Upgrades Associated with Designated Resources - Transmission Revenue Credits

Transmission Customers shall receive transmission revenue credits in accordance with this Section for directly assigned costs of Network Upgrades associated with Designated Resources. Any charges paid by the Transmission Customer in excess of the transmission access charges in compensation for the revenue requirements for allocated facility upgrade(s) shall be recovered by such Transmission Customer from future transmission service revenues until that Transmission Customer has been fully compensated. Such amount shall be recovered, with interest calculated in accordance with 18 CFR §35.19a(a)(2)(ii), from new point-to-point service that increases loading on the new facility upgrade in the direction of the initial overload. For each new point-to-point reservation having such loading impact on such new facility upgrade, made after the facility upgrade is completed (EOC date), the customer shall receive a portion of the transmission service charge equal to the positive response factor of such new reservation on the upgraded facility times the new reservation capacity times the rate applicable to such new reservation. The response factor shall be calculated on a monthly basis. This allocation from new service shall continue until the Transmission Customer(s) has been compensated for all charges paid in excess of the normally applicable transmission access charges pursuant to Schedules 7, 8 or 9 and 11.

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VII. Transmission Owner Upgrades

Each SPP Transmission Owner shall possess the right of first refusal to obtain all rights and responsibilities afforded to customers under this Attachment Z by assuming the cost responsibility for any or all of the upgrades to their facilities or new facilities which it constructs to provide transmission service pursuant to this Attachment Z. If a Transmission Owner elects to exercise this right of first refusal, the cost of the upgrade shall not be allocated to the requests in the aggregate group. SPP shall notify each Transmission Owner of the upgrades required and provide the Transmission Owner the opportunity to exercise its right of first refusal.

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8VIII. Future Roll-In

When a facility upgrade being paid for pursuant to the provisions of this Attachment Z is rolled into the revenue requirements used for the development of generally applicable transmission service rates, the Transmission Owner that constructed the facility upgrade shall pay the remaining balance of each customer's unrecovered payments described in Section s VI.B and VI.D6-b that are applicable to that facility upgrade. All customers and Transmission Owners who have upgraded facilities and have remaining balances subject to cost recovery pursuant to Section VI6, Cost Recovery, of this Attachment Z, shall be paid in full. The customer shall continue to pay the charges specified in the customer's transmission service agreement for the transmission service initially reserved.

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