

Schedule BW-8

****Public****

Kansas Corporation Commission

Response to Discovery Request

Discovery Request No. KCC-17

Company Name: NextEra Energy Transmission Southwest, LLC Application

Docket Number: 22-NETE-419-COC

Request Date: April 14, 2022

Due Date: April 26, 2022

Regarding: In the Matter of the Application of NextEra Energy Transmission Southwest, LLC for its Certificate of Convenience and Necessity to Construct Transmission Facilities In the State of Kansas.

Please Provide the Following:

Provide Southwest Power Pool's benefit/cost analysis for the Wolf Creek/Blackberry project including the input and outputs relied upon to develop the benefit/costs calculation.

Submitted By: Haynos/Gatewood

Submitted To: Southwest Power Pool

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

SOUTHWEST POWER POOLS RESPONSE TO DISCOVER REQUEST NO. KCC-17:

As part of the analysis performed in the 2019 ITP Assessment, the Wolf Creek - Blackberry 345 kV transmission line was paired with a phase-shifting transformer installed at the Butler substation in series with the Butler - Altoona 138 kV line ("the Project"). The Wolf Creek - Blackberry 345 kV transmission line was selected to address congestion in the Eastern Kansas/Western Missouri Target Area ("TA1") for the Future 2 portfolio. The 2019 ITP overall project portfolio (44 transmission projects, including 166 miles of new extra-high-voltage transmission and 28 miles of rebuilt high-voltage infrastructure) projected 40-year adjusted production cost ("APC") savings benefit-to-cost ("B/C") ratio ranged between 1.70 to 3.49 in the studied future scenarios.

The 2019 ITP Assessment was approved by stakeholders and the SPP Board of Directors based upon the performance of the portfolio of projects, not based on any one specific project's projected APC savings B/C ratio. Notwithstanding, SPP can provide for informational purposes the projected 40-

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year APC savings benefit-to-cost ratio for the Project that was used for inclusion in the 2019 ITP Assessment's portfolio of projects. The Project had a projected 40-year APC savings B/C ratio of 3.36 in the Future 2 scenario on an individual project basis. The Project was also tested in the Future 1 scenario to ensure it met the requirements of portfolio consolidation to develop a single recommended portfolio for the assessment. The Project has a projected 40-year APC B/C ratio of 1.48 in the Future 1 scenario on an individual project basis, when the cost-effective alternative project selected for TA1 in the Future 1 scenario is replaced.

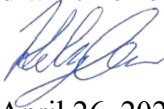
The Project had an estimated engineering and construction ("E&C") cost of approximately \$162.7M in 2019 dollar amounts. For the 40-year financial analysis used during the assessment, the net present value ("NPV") calculation assumed a 2.5% inflation rate, a regional average carrying charge of 17%, and an 8% discount rate. Assuming an in-service date of year-5 for the assessment, January 2024, the 40-year NPV cost of the Project in 2019 dollar amounts is approximately \$303.4M. 40-year NPV benefit of the Project in 2019 dollar amount was projected to be approximately \$450M in the Future 1 scenario and \$1.02B in the Future 2 scenario.

Additional details on SPP benefit metrics and 40-year financial calculations, and detailed APC calculation equations, can be found in the SPP Benefit Metric Manual (<https://spp.org/Documents/44031/Benefit%20Metrics%20Manual%2020201106.docx>) and the 2019 ITP Adjusted Production Cost (APC) Calculation document ([https://www.spp.org/documents/59180/2019%20itp%20adjusted%20production%20cost%20\(apc\)%20calculation.pdf](https://www.spp.org/documents/59180/2019%20itp%20adjusted%20production%20cost%20(apc)%20calculation.pdf)).

Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which effects the accuracy or completeness of the answer(s) to this Data Request.

Signed:



Date: April 26, 2022