

ATTACHMENT O
TRANSMISSION PLANNING PROCESS

I. Overview of Planning Process

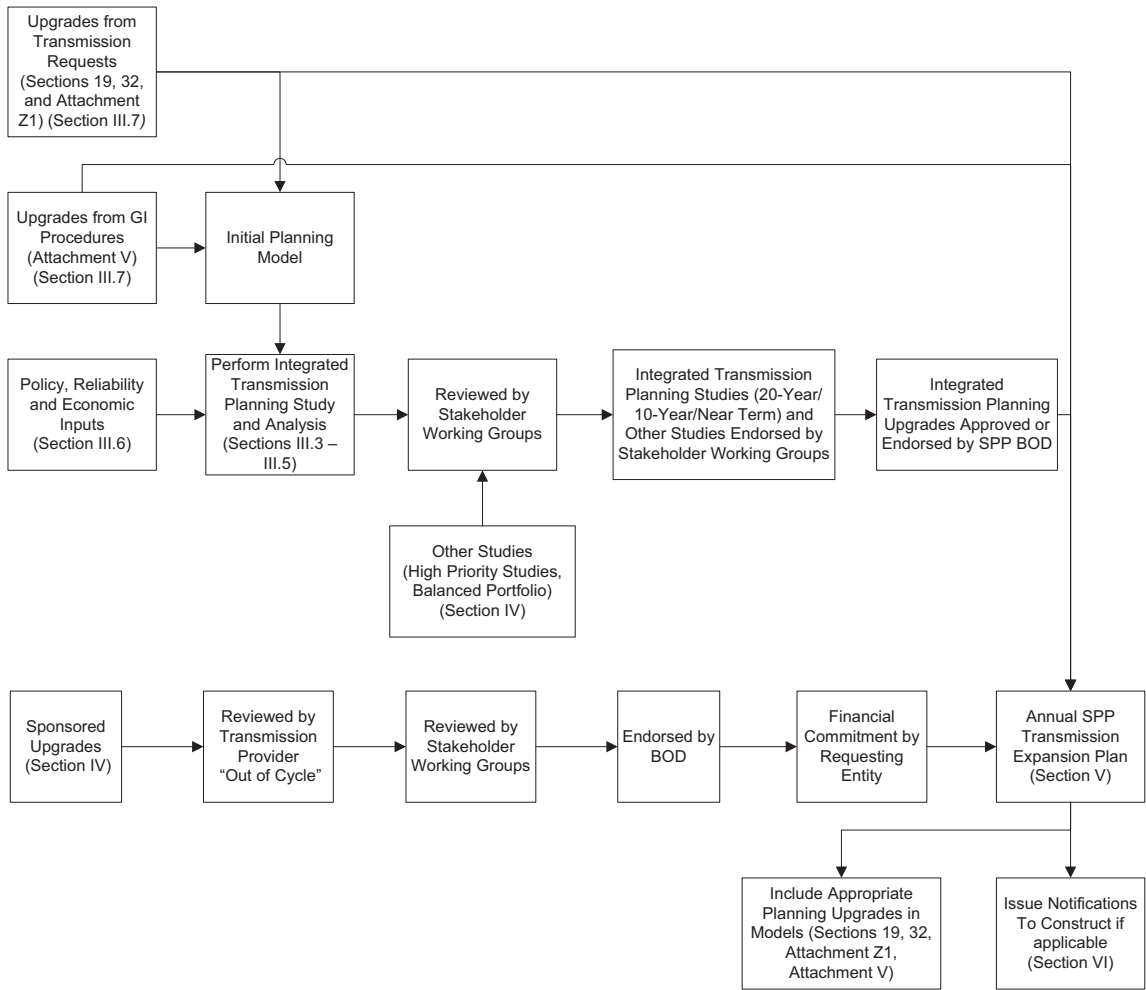
The Transmission Provider's transmission planning process is an open process. New and proposed transmission facilities can come from several different areas of the Tariff. These areas are: 1) transmission service requests; 2) Generation Interconnection Service requests; 3) the integrated transmission planning process (ITP Upgrades); 4) the Balanced Portfolio process; 5) the high priority study process (high priority upgrades); and 6) requests for Sponsored Upgrades. Figure 1 illustrates the planning processes within SPP and how these result in a comprehensive regional plan called the SPP Transmission Expansion Plan (STEP).

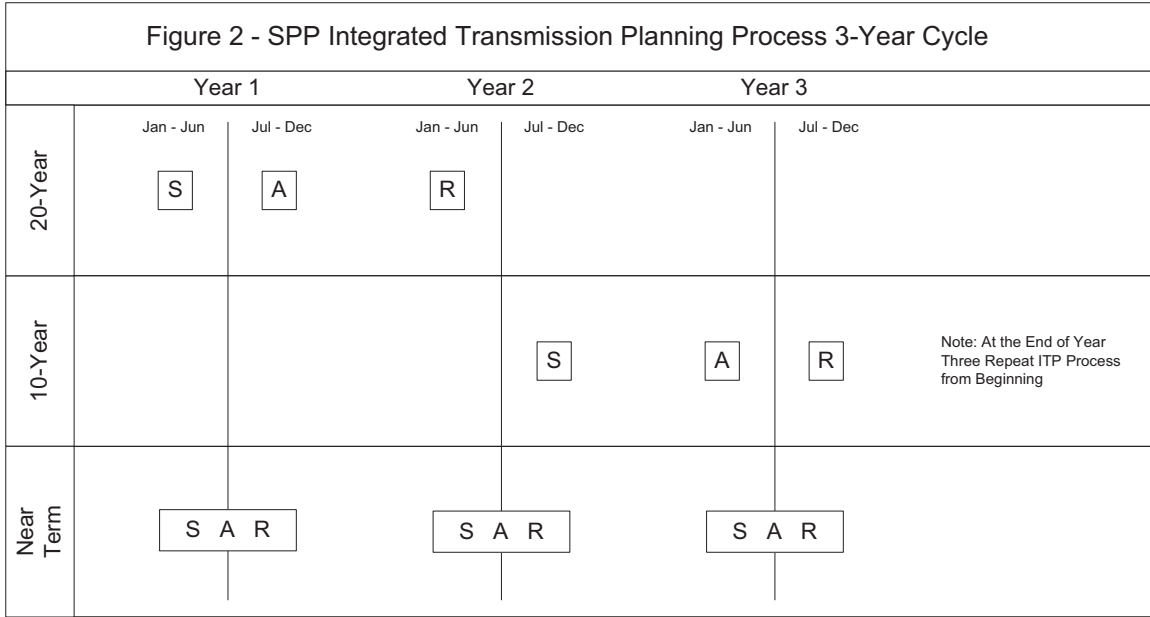
Each of these sources of potential upgrades has its own evaluation and approval process. Transmission Service requests are evaluated in accordance with Attachment Z1. Generator interconnection requests are assessed under the provisions of Attachment V. In addition, the process for adding new delivery points is described in Attachment AQ. The integrated transmission planning process and other study processes for Sponsored Upgrades, Balanced Portfolios and high priority upgrades are described in this Attachment O.

The results from all these sources are collected and reported in the annual SPP Transmission Expansion Plan which gives a twenty (20) year projection of transmission changes in the SPP Region. The SPP Transmission Expansion Plan, as endorsed by the Markets and Operations Policy Committee, is presented to the SPP Board of Directors once a year for their review and approval, as required in accordance with Section V of this Attachment O. The SPP Board of Directors may modify upgrades that are part of approved Balanced Portfolios in accordance with Section IV of Attachment J, ITP Upgrades, or high priority upgrades in the SPP Transmission Expansion Plan throughout the year in accordance with Section V of this Attachment O. Projects associated with transmission service requests and Generation Interconnection Service requests and Sponsored Upgrades may also be added throughout the year as Service Agreements and interconnection agreements are executed.

SPP's long range transmission planning is conducted over a three year planning cycle as shown in Figure 2. A 20-Year Assessment is conducted during the first half of this three year cycle. A 10-Year Assessment is conducted in the second half of the three year cycle. The Near Term Assessment is conducted each year and generally looks over the next five to seven years. Each of these assessments and the approval process is set forth in this Attachment O.

Figure 1 - SPP Transmission Planning





S = Scenarios
A = Analysis
R = Results

II. Roles and Responsibilities

References to the “stakeholder working group” is a generic term that references those working group(s) as defined in the SPP Bylaws, Sections 3 through 6 that are charged with the transmission planning process. The current names of all the working groups shall be posted on the SPP website.

1. Division of Responsibilities
 - a) The rights, powers and obligations for planning are set forth in the SPP Membership Agreement in (i) Article 2.0 for the Transmission Provider and (ii) Article 3.0 for the Members. The division of responsibility between the Transmission Provider and the Members is set forth in the SPP Criteria and in this Attachment O. The SPP Membership Agreement, the SPP Criteria and the Tariff shall be posted on the SPP website.
 - b) The Transmission Provider shall be responsible for developing the list of projects in accordance with the stakeholder process set forth in Sections II, III and V of this Attachment O, and including inter-regional coordination set forth in Section VIII of this Attachment O.
 - c) The Transmission Provider shall perform transmission planning studies to assess the reliability and economic operation of the Transmission System in accordance with Section III of this Attachment O.
 - d) As inputs to the planning process, the Transmission Provider shall include and maintain requirements to serve existing commitments for long-term transmission service and interconnection service in accordance with Section III.7 of this Attachment O and any applicable roll-over rights as set out in Section 2.2 of the Tariff. It shall also take into account all previously approved projects.
 - e) The Transmission Provider shall review, and include as appropriate, all local area upgrades to meet local area reliability criteria as proposed by the Transmission Owners including those plans developed by Transmission Owners that have their own FERC approved local planning process to ensure coordination of the projects set forth in such plans with the potential solutions developed in the regional planning process.
 - f) The Transmission Provider shall review and include, as appropriate, all reasonable expected demand resource, transmission, or generation options identified by stakeholders.
 - g) The Transmission Provider shall describe the details regarding expansion planning methodology, criteria, assumptions and data in the SPP Transmission Expansion Planning Manual which shall be posted on the SPP website.

- h) In accordance with its NERC reporting requirements, the Transmission Provider shall publish an annual reliability report that shall include a list of the following:
 - i) Regional upgrades required to maintain reliability in accordance with the NERC Reliability Standards and SPP Criteria;
 - ii) Zonal upgrades required to maintain reliability in accordance with more stringent individual Transmission Owner planning criteria; and
 - iii) Inter-regional upgrades developed with neighboring Transmission Providers to meet inter-regional needs, including results from the coordinated system plans.

- 2) Stakeholder Working Groups
 - a) The purpose of the stakeholder working groups is to provide technical advice, assistance and oversight to the Transmission Provider in all aspects of the regional, sub-regional and local planning process, including but not limited to:
 - i) Review and development of coordinated planning among the Transmission Provider and the Transmission Owners including accepted Network Upgrades developed by those Transmission Owners that have their own FERC approved local planning process to meet local area reliability criteria;
 - ii) Review and development of regional planning criteria;
 - iii) Review and development of Available Transfer Capability related calculation criteria as specified in Attachment C to the Tariff;
 - iv) Review and development of transmission rating criteria; and
 - v) Compliance with NERC Reliability Standards concerning transmission assessment, transfer capability and ratings of transmission facilities.

 - b) All the stakeholder working group representation shall be appointed and chaired in accordance with Article 3.0 of the SPP Bylaws. All meetings of the stakeholder working groups are open to all entities.

 - c) Voting in the various stakeholder working groups shall conform to Article 3.9 of the SPP Bylaws.

- d) The data, information, and technical support necessary for the Transmission Provider to perform studies as required by the planning process and to develop the regional reliability projects are provided by the Transmission Owners, Transmission Customers and Generation Interconnection Customers and other entities. This process is described in Section VII of this Attachment O.
 - e) Stakeholder working groups that work with the Transmission Provider on transmission planning shall meet at least quarterly and additional meetings, web conferences and teleconferences shall be scheduled as needed. Teleconference capability will be made available for stakeholder working group meetings. Notice of meetings of the stakeholder working groups shall be posted on the SPP website and distributed via email distribution lists. Meeting agendas and minutes shall be posted on the SPP website.
- 3) Participation by State Regulators
In accordance with the SPP Bylaws, any regulatory agency having utility rates or services jurisdiction over a Member may participate fully in all SPP planning activities.
- 4) Adherence to Regional Planning Criteria
- i) The regional planning criteria are comprised of the NERC Reliability Standards and SPP Criteria.
 - ii) The regional planning criteria may change from time to time based upon the then current process for changing reliability criteria.
 - iii) The individual Transmission Owners shall be obligated under the NERC Reliability Standards and SPP Criteria to resolve reliability violations and compliance needs identified by the Transmission Provider or by the individual Transmission Owners themselves in accordance with these standards and criteria. The SPP Criteria shall be posted on the SPP website.
- 5) Use of Local Planning Criteria
- i) Individual Transmission Owners within the SPP Region may develop company-specific planning criteria that, at a minimum, conform to the NERC Reliability Standards and SPP Criteria.
 - ii) For each annual planning cycle, Transmission Owners, including those Transmission Owners that have their own FERC approved local planning process, must provide to the Transmission Provider at least once a year, by

April 1st, their company-specific planning criteria in order for the need for Zonal Reliability Upgrades to be assessed and included in the SPP Transmission Expansion Plan.

- iii) Transmission Owner planning criteria and assumptions may be modified at any time provided that, if the planning criteria are made more stringent, the increased requirements will not apply retroactively to studies previously completed or studies already underway by the Transmission Provider. Access to the individual Transmission Owner's planning criteria shall be made available via an electronic link on the SPP website.
- iv) The individual planning criteria of each Transmission Owner, including those Transmission Owners that have their own FERC approved local planning process, shall be the basis for determining whether a reliability violation exists for which a need for a new Zonal Reliability Upgrade should be considered.
- v) The Transmission Owner shall apply its local planning criteria comparably to all load in its service territory.

III. The Integrated Transmission Planning Process

The ITP process is an iterative three-year process that includes 20-Year, 10-Year and Near Term Assessments. The 20-Year Assessment identifies the transmission projects, generally above 300 kV, and provides a grid flexible enough to provide benefits to the region across multiple scenarios. The 10-Year Assessment focuses on facilities 100 kV and above to meet the system needs over a ten-year horizon. The Near Term Assessment is performed annually and assesses the system upgrades, at all applicable voltage levels, required in the near term planning horizon.

1) Commencement of the Process

At the beginning of each calendar year the Transmission Provider shall notify stakeholders as to which part(s) of the integrated transmission planning cycle will take place during that year and the approximate timing of activities required to develop the SPP Transmission Expansion Plan. Notice of commencement of the process shall be posted on the SPP website and distributed via email distribution lists.

2) Transmission Planning Forums

The transmission planning forums include planning summits and sub-regional planning meetings and these are conducted as follows:

a) Planning Summits

- i) The purpose of the planning summits is for the Transmission Provider and the stakeholders to share current SPP transmission network issues, develop the study scopes, provide solution alternatives and review study findings. These summits also provide an open forum where all stakeholders have an opportunity to provide advice and recommendations to the Transmission Provider to aid in the development of the SPP Transmission Expansion Plan.
- ii) The planning summits shall be open to all entities.
- iii) The Transmission Provider shall chair and facilitate the planning summits.
- iv) Planning summits shall be held at least semi-annually, including sub-regional breakout sessions of the SPP Region. Teleconference capability will be made available for planning summits. Planning summit web conferences shall be held as needed.
- v) Notice of the planning summits and web conferences shall be posted on the SPP website and distributed via email distribution lists.

b) Sub-regional Planning Meetings

- i) The Transmission Provider shall define sub-regions from time to time to address local area planning issues.
- ii) The purpose of the sub-regional planning meetings is to identify unresolved local stakeholder issues and transmission solutions at a more granular level. The sub-regional planning meetings shall provide stakeholders with local needs the opportunity to provide advice and recommendations to the Transmission Provider and to the Transmission Owners. The sub-regional planning meetings shall provide a forum to review local planning criteria as specified in Section II of this Attachment O.
- iii) The sub-regional planning meetings shall be open to all entities.
- iv) The Transmission Provider shall facilitate the sub-regional planning meetings.
- v) A planning meeting shall be held at least annually for each individual sub-region.
- vi) The sub-regional planning meetings shall be held in conjunction with the stakeholder working group meetings. Teleconference capability will be made available for sub-regional planning meetings. Sub-regional planning web conferences shall be held as needed.
- vii) Notice of the sub-regional planning meetings, teleconferences and web conferences shall be posted on the SPP website and distributed via email distribution lists.

3) Preparation of the 20-Year Assessment

- a) The Transmission Provider shall perform a 20-Year Assessment once every three years. The timing of this assessment shall generally be in the first half of each three-year cycle.
- b) The 20-Year Assessment shall review the system for a twenty-year planning horizon and address, at a minimum, facilities 300 kV and above needed in year 20. This assessment is not intended to review each consecutive year in the planning horizon. The Transmission Provider shall work with stakeholders to identify the appropriate year(s) to study in developing the assessment study scope.

- c) The 20-Year Assessment shall assess the cost effectiveness of proposed solutions over a forty-year time horizon.
 - d) The Transmission Provider shall develop the assessment study scope with input from the stakeholders. The study scope shall take into consideration the input requirements described in Section III.6.
 - e) The assessment study scope shall specify the methodology, criteria, assumptions, and data to be used.
 - f) The Transmission Provider, in consultation with the stakeholder working groups, shall finalize the assessment study scope.
 - g) The assessment study scope shall be posted on the SPP website and will be included in the published annual SPP Transmission Expansion Plan report.
 - h) In accordance with the assessment study scope, the Transmission Provider shall analyze potential solutions following the process set forth in Section III.8.
- 4) Preparation of the 10-Year Assessment
- a) The Transmission Provider shall perform a 10-Year Assessment once every three years as part of the three year planning cycle. The timing of this assessment shall generally be in the second half of the three-year planning cycle.
 - b) The 10-Year Assessment shall review the system for a ten-year planning horizon and address, at a minimum, facilities 100 kV and above needed in year 10. This assessment is not intended to review each consecutive year in the planning horizon. The Transmission Provider shall work with stakeholders to identify the appropriate year(s) to study in developing the assessment study scope.
 - c) The 10-Year Assessment shall assess the cost effectiveness of proposed solutions over a forty-year time horizon.
 - d) The Transmission Provider shall develop the assessment study scope with input from the stakeholders. The study scope shall take into consideration the input requirements described in Section III.6.
 - e) The assessment study scope shall specify the methodology, criteria, assumptions, and data to be used.

- f) The Transmission Provider, in consultation with the stakeholder working groups, shall finalize the assessment study scope.
 - g) The assessment study scope shall be posted on the SPP website and will be included in the published annual SPP Transmission Expansion Plan report.
 - h) In accordance with the assessment study scope, the Transmission Provider shall analyze potential solutions, including those upgrades approved by the SPP Board of Directors from the most recent 20-Year Assessment, following the process set forth in Section III.8.
- 5) Preparation of the Near Term Assessment
- a) The Transmission Provider shall perform the Near Term Assessment on an annual basis.
 - b) The Near Term Assessment will be performed on a shorter planning horizon than the 10-Year Assessment and shall focus primarily on identifying solutions required to meet the reliability criteria defined in Section III.6.
 - c) The assessment study scope shall specify the methodology, criteria, assumptions, and data to be used to develop the list of proposed near term upgrades.
 - d) The Transmission Provider, in consultation with the stakeholder working groups, shall finalize the assessment study scope. The study scope shall take into consideration the input requirements described in Section III.6.
 - e) The assessment study scope shall be posted on the SPP website and will be included in the published annual SPP Transmission Expansion Plan report.
 - f) In accordance with the assessment study scope, the Transmission Provider shall analyze potential solutions, including those upgrades approved by the SPP Board of Directors from the most recent 20-Year Assessment and 10-Year Assessment, following the process set forth in Section III.8.
- 6) Policy, Reliability, and Economic Input Requirements to Planning Studies
- The Transmission Provider shall incorporate, as appropriate for the assessment being performed, the following into its planning studies:
- a) NERC Reliability Standards;

- b) SPP Criteria;
 - c) Transmission Owner-specific planning criteria as set forth in Section II;
 - d) Previously identified and approved transmission projects;
 - e) Zonal Reliability Upgrades developed by Transmission Owners, including those that have their own FERC approved local planning process, to meet local area reliability criteria;
 - f) Long-term firm Transmission Service;
 - g) Load forecasts, including the impact on load of existing and planned demand management programs, exclusive of demand response resources;
 - h) Capacity forecasts, including generation additions and retirements;
 - i) Existing and planned demand response resources;
 - j) Congestion within SPP and between the SPP Region and other regions and balancing areas;
 - k) Renewable energy standards;
 - l) Fuel price forecasts;
 - m) Energy efficiency requirements;
 - n) Other relevant environmental or government mandates; and
 - o) Other input requirements identified during the stakeholder process.
 - p) In developing the long term capacity forecasts, the studies will reflect generation and demand response resources capable of providing any of the functions assessed in the SPP planning process, and can be relied upon on a long-term basis. Such demand response resources shall be permitted to participate in the planning process on a comparable basis. These studies will consider operational experience gained from markets operated by the Transmission Provider.
- 7) Inclusion of Upgrades Related to Transmission Service and Generator Interconnection in Planning Studies
- a) Transmission upgrades related to requests for Transmission Service are described in Sections 19 and 32 of the Tariff and Attachment Z1 to the Tariff. These upgrades are included as part of the future expansion of the

Transmission System, upon the execution of the various Service Agreements with the Transmission Customers. Transmission upgrades related to an approved request for Transmission Service may be deferred or supplemented by other upgrades based upon the results of subsequent studies. Changes in planned upgrades do not remove the obligation of the Transmission Provider to have adequate transmission facilities available to start or continue the approved Transmission Service.

- b) Interconnection facilities and other transmission upgrades related to requests for generation interconnection service are described in Attachment V. These upgrades are included as part of the future expansion of the Transmission System upon the execution of the various interconnection agreements with the Generation Interconnection Customers. Transmission upgrades related to an approved interconnection agreement may be deferred or supplemented by other upgrades based upon the results of subsequent studies. Changes in planned upgrades do not remove the obligation of the Transmission Provider to have adequate transmission facilities available to start or continue the approved interconnection service.
- c) The studies performed under this Section III of Attachment O shall accommodate and model the specific long-term firm Transmission Service of Transmission Customers and specific interconnections of Generation Interconnection Customers no later than when the relevant Service Agreements and interconnection agreements are accepted by the Commission.

8) Process to Analyze Transmission Alternatives for each Assessment

The following shall be performed, at the appropriate time in the respective planning cycle, for the 20-Year Assessment, 10-Year Assessment and Near Term Assessment studies:

- a) The Transmission Provider shall perform the required studies to analyze the potential alternatives for improvements to the Transmission System, provided by the Transmission Provider and by the stakeholders, in order to address the final assessment study scope agreed to with the stakeholders. This analysis shall consider the current and anticipated future needs of the SPP Region within the parameters of the study scope. The analysis shall also consider the value brought to the SPP Region by incremental changes to the proposed solutions.
- b) For all potential alternatives provided by the stakeholders, including reliability upgrades that Transmission Owners, including those Transmission Owners that have their own FERC approved local planning process, propose to address violations of company-specific planning

criteria pursuant to Section II.5 of this Attachment O, the Transmission Provider shall determine if there is a more comprehensive regional solution to address the reliability and economic needs identified in the assessment.

- c) In addition to recommended upgrades, the Transmission Provider will consider, on a comparable basis, any alternative proposals which could include, but would not be limited to, generation options, demand response programs, “smart grid” technologies, and energy efficiency programs. Solutions will be evaluated against each other based on a comparison of their relative effectiveness of performance and economics.
- d) The Transmission Provider shall assess the cost effectiveness of proposed solutions. Such assessments shall be performed in accordance with the Integrated Transmission Planning Manual, which shall be developed by the Transmission Provider, in consultation with stakeholders, and approved by the Markets and Operations Policy Committee. SPP shall post this manual on its website.
- e) The analysis described above shall take into consideration the following:
 - i) The financial modeling time frame for the analysis shall be 40 years (with the last 20 years provided by a terminal value).
 - ii) The analysis shall include quantifying the benefits resulting from dispatch savings, loss reductions, avoided projects, applicable environmental impacts, reduction in required operating reserves, interconnection improvements, congestion reduction, and other benefit metrics as appropriate.
 - iii) The analysis shall identify and quantify, if possible, the benefits related to any proposed transmission upgrade that is required to meet any regional reliability criteria.
 - iv) The analysis scope shall include different scenarios to analyze sensitivities to load forecasts, wind generation levels, fuel prices, environmental costs, and other relevant factors. The Transmission Provider shall consult the stakeholders to guide the development of these scenarios.
 - v) The results of the analysis shall be reported on a regional, zonal, and state-specific basis.
 - vi) The analysis shall assess the net impact of the transmission plan, developed in accordance with this Attachment O, on a typical residential customer within the SPP Region and on a \$/kWh basis.

- f) The Transmission Provider shall make a comprehensive presentation of the preferred potential solutions, including the results of the analysis above, to the stakeholder working groups and at a planning summit meeting or web conference. The presentation shall include a discussion of all the Transmission Provider and stakeholder alternatives considered and reasons for choosing the particular preferred solutions.
- g) The Transmission Provider shall solicit feedback on the solutions from the stakeholder working groups and through the stakeholders attending the various planning summits. The Transmission Provider will also include feedback from stakeholders through other meetings, teleconferences, web conferences, and via email or secure web-based workspace. Stakeholders may propose any combination of demand resources, transmission, or generation as alternate solutions to identified reliability and economic needs.
- h) Upon consideration of the results of the cost effectiveness analysis and feedback received in the subsequent review process, the Transmission Provider shall prepare a draft list of projects for review and approval in accordance with Section V.

IV. Other Planning Studies

1) Sponsored Upgrade Studies

Any entity may request that a Sponsored Upgrade be built. SPP will evaluate the impact of any Sponsored Upgrade on Transmission System reliability and identify any necessary mitigation of these impacts. Such entity must be willing to assume the cost of such Sponsored Upgrade, study costs, and any cost associated with such necessary mitigation. The proposed Sponsored Upgrade will be submitted to the proper stakeholder working group for their review as a part of the transmission planning process.

2) High Priority Studies

- a) The Transmission Provider shall perform high priority studies in accordance with this Attachment O and the Transmission Network Economic Modeling & Methods manual which shall be maintained on the SPP website.
- b) Potential Balanced Portfolios, as developed through the process specified in Section IV.3, shall be considered to be high priority studies.
- c) The stakeholders may request high priority studies, including a request for the Transmission Provider to study potential upgrades or other investments necessary to integrate any combination of resources, whether demand resources, transmission, or generation, identified by the stakeholders. Annually, the costs of up to three high priority studies requested by the stakeholders and performed by the Transmission Provider shall be recovered pursuant to Schedule 1-A of this Tariff. A high priority study of a potential Balanced Portfolio initiated by the Transmission Provider will not be considered a stakeholder request pursuant to this Section IV.2.c.
- d) The Transmission Provider, in consultation with the stakeholders, shall develop the scope for each high priority study and post the scope(s) on the SPP website.
- e) Each study shall include:
 - i) Quantification of benefits and costs in accordance with this Attachment O and the Transmission Network Economic Modeling and Methods manual; and
 - ii) An analysis of the sensitivity of the economics of the upgrades included in the high priority study to changes in assumptions.

- f) The Transmission Provider shall solicit input from the stakeholders and the Regional State Committee regarding the appropriate sensitivity analyses to be performed.
 - g) For each high priority study the Transmission Provider shall publish a report, including but not limited to, the study input assumptions, the estimated cost of the upgrades, any third party impacts, the expected economic benefits of the upgrades, and identify reliability impacts, if any, of the upgrades. The report and related studies and the criteria, assumptions and data underlying the report shall be posted on the SPP website, with password protected access if required to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement and to address Critical Energy Infrastructure Information (CEII) requirements. The CEII compliant redacted version of the report shall be posted on the SPP website. The redacted version shall include instructions for acquiring the complete version of the report.
 - h) The Transmission Provider may recommend, based on the results of a high priority study, a high priority upgrade for inclusion in the SPP Transmission Expansion Plan in accordance with the approval process set forth in Section V.
- 3) Evaluation of Potential Balanced Portfolios
- a) The Transmission Provider shall solicit input from stakeholders on combinations of potential economic upgrades to be evaluated as potential Balanced Portfolios.
 - b) Each economic upgrade to be included in a potential Balanced Portfolio:
 - i) Must include a 345 kV or higher voltage facility;
 - ii) May include lower voltage transmission facilities needed to integrate the 345 kV or higher facilities and achieve the benefits; however, the cost of the lower voltage transmission facilities cannot exceed the cost of the 345 kV or higher facilities included in the economic upgrade; and
 - iii) An economic upgrade that includes lower voltage transmission facilities for which the cost of such facilities exceeds the cost of the 345 kV or higher facilities constituting the economic upgrade may be included in the evaluation of a potential Balanced Portfolio, if a Project Sponsor agrees to bear the portion of the cost of the lower voltage facilities that is in excess of the cost of the 345 kV or higher facilities.

- iv) Will include an evaluation of the costs of the upgrades, including any cost impacts potentially allocable to the Transmission Provider or a Zone(s) from third party upgrade(s) required to relieve congestion on a neighboring system due to the construction of the potential Balanced Portfolio.
- c) The Transmission Provider shall determine for each Zone the net present value of the revenue requirements of each potential Balanced Portfolio as follows:
 - i) The revenue requirements for each potential Balanced Portfolio shall be calculated as if all of the upgrades associated with the potential Balanced Portfolio are simultaneously available to the power system. This requirement is for evaluation purposes only and shall not restrict the timing of the construction of individual upgrades within a Balanced Portfolio approved by the SPP Board of Directors.
 - ii) Based on input from the Transmission Owners and other pertinent information, the Transmission Provider shall estimate the construction costs of each upgrade in the potential Balanced Portfolio.
 - iii) For each upgrade in the potential Balanced Portfolio, the Transmission Provider shall use the transmission fixed charge rate(s) for the appropriate Transmission Owner(s) to estimate the revenue requirements. In each annual planning cycle, the Transmission Owner shall supply its fixed charge rate to the Transmission Provider.
 - iv) The fixed charge rate(s) shall take account of all costs necessary to support the upgrade in the potential Balanced Portfolio, including but not limited to, operation and maintenance expenses, depreciation, property and payroll taxes, income taxes, if applicable, return on investment and any other factors affecting the revenue requirement associated with the upgrade.
 - v) The revenue requirements also shall include any specific costs that are projected to be incurred by the Transmission Provider or a Zone(s) as a result of third-party impacts due to one or more upgrades within a proposed Balanced Portfolio.
 - vi) The revenue requirements for the potential Balanced Portfolio shall equal the sum of the revenue requirements of the upgrades that comprise the potential Balanced Portfolio.

- vii) The Transmission Provider shall estimate the cost for each Zone by allocating the revenue requirements for the potential Balanced Portfolio to each Zone based on its Region-wide Load Ratio Share forecasted over the ten year period analyzed.
 - viii) If any costs of an upgrade in the potential Balanced Portfolio will be borne by other funding mechanisms, such costs shall not be included in the determination of the net present value of the revenue requirements for the potential Balanced Portfolio.
- d) The Transmission Provider shall determine for each Zone the net present value of the benefits of each potential Balanced Portfolio as follows:
- i) The benefits from each potential Balanced Portfolio shall be calculated as if all of the upgrades associated with the potential Balanced Portfolio are simultaneously available to the power system.
 - ii) The Transmission Provider shall use an adjusted production cost metric to analyze the benefits of the potential Balanced Portfolio, where adjusted production cost is the production cost minus revenues from sales plus cost of purchases. As described in Section IV.5 of this Attachment O, the Transmission Provider shall continue to evaluate and explore with the stakeholders any additional metrics and criteria which have quantifiable economic effects.
 - iii) The adjusted production cost benefit for each Zone shall equal the difference between the adjusted production cost with the potential Balanced Portfolio modeled and without the potential Balanced Portfolio modeled.
 - iv) The Transmission Provider shall estimate the annual benefits for each Zone over the same ten-year period as used to determine the costs by calculating the annual benefits for at least three specific years in the ten-year time period and interpolating the annual benefits for the remaining years.
- e) A potential Balanced Portfolio shall meet the following conditions:
- i) Cost Beneficial: The sum of the benefits of the potential Balanced Portfolio determined in Section IV.3.d must equal or exceed the sum of the costs determined in Section IV.3.c; and

- ii) **Balanced:** For each Zone, the sum of the benefits of the potential Balanced Portfolio determined in Section IV.3.d must equal or exceed the sum of the costs determined in Section IV.3.c. Additionally, the balance may be achieved through the provisions set forth in Section IV.4.
 - f) In developing a potential Balanced Portfolio, the Transmission Provider shall timely publish a report, including but not limited to, the study input assumptions, the estimated costs included in the potential Balanced Portfolio, and the expected economic benefits of the potential Balanced Portfolio. With regard to such report, the Transmission Provider shall comply with the information sharing and reporting requirements in Part VII (Information Exchange) and Section IV.2 (High Priority Studies) of this Attachment O, including the requirements for treatment of confidential information.
- 4) **Options for Achieving a Balanced Portfolio**
 - a) Section IV.3 of this Attachment O sets forth provisions to achieve a Balanced Portfolio when there are deficient Zones. A deficient Zone is a Zone where the costs allocated to the Zone in Section IV.3.c exceed the benefits allocated to the Zone in Section IV.3.d, including any additional costs or benefits derived from the application of the provisions in this Section IV.4.
 - b) In order to achieve a Balanced Portfolio, the Transmission Provider may include transmission upgrades that do not adhere to the voltage requirements of Sections IV.3.b.i and ii of this Attachment O.
 - c) If including the lower voltage transmission facilities does not achieve a Balanced Portfolio, the Transmission Provider may balance the portfolio by transferring a portion of the Base Plan Zonal Annual Transmission Revenue Requirement and/or the Zonal Annual Transmission Revenue Requirement from the deficient Zone(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement. Transmission Provider shall include the following constraints in this assessment:
 - i) Limit the amount to be transferred from the Base Plan Zonal Annual Transmission Revenue Requirement and/or the Zonal Annual Transmission Revenue Requirement to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement to the minimum amount that will balance the portfolio over the ten-year period analyzed;

- ii) Transfer from the Base Plan Zonal Annual Transmission Revenue Requirement first, then, if necessary, transfer from the Zonal Annual Transmission Revenue Requirement; and
 - iii) For each Zone, meet the conditions specified in Section IV.3.e.ii of this Attachment O.
- 5) Development of Additional Benefit Metrics
 - a) The Transmission Provider shall continue to evaluate and explore with the stakeholders via the transmission planning process any additional metrics and criteria which have quantifiable economic effects, such as:
 - i) Reduction in system losses;
 - ii) Differing environmental impacts;
 - iii) Improvement to capacity margin and operating reserve requirements;
 - iv) Energy, capacity and ancillary service market facilitation;
 - v) Increased competition in wholesale markets;
 - vi) Reliability enhancement, including storm hardening and black start capability; and
 - vii) Critical infrastructure and homeland security.
 - b) Any subsequent adjustment to the metrics and criteria for evaluating potential Balanced Portfolios developed by the Transmission Provider, with input from the stakeholders, shall be proposed through Tariff amendments.

V. The SPP Transmission Expansion Plan

The SPP Transmission Expansion Plan shall be a comprehensive listing of all transmission projects in the SPP for the twenty-year planning horizon. Projects included in the SPP Transmission Expansion Plan are: 1) upgrades required to satisfy requests for Transmission Service; 2) upgrades required to satisfy requests for generation interconnection; 3) approved projects from the 20-Year Assessment, 10-Year Assessment and Near Term Assessment (ITP Upgrades); 4) upgrades within approved Balanced Portfolios; 5) approved high priority upgrades; and 6) endorsed Sponsored Upgrades. A specific endorsed Sponsored Upgrade will be included in the Transmission System planning model upon execution of a contract that financially commits a Project Sponsor to such upgrade or when such upgrade is otherwise funded pursuant to the Tariff. To be included in the SPP Transmission Expansion Plan, each project must have been endorsed or approved through its proper process. This Section V describes the process used to approve or endorse the specific upgrades identified in 20-Year, 10-Year and Near Term Assessments, high priority upgrades, and Balanced Portfolios.

- 1) Development of the Recommended Set of Upgrades from Planning Studies
 - a) Upon completion of the analysis, studies and stakeholder review and comment on the results in accordance with Sections III and IV of this Attachment O, the Transmission Provider shall prepare a draft list of all projects for review by the stakeholders. The Transmission Provider shall post the draft project list on the SPP website and shall identify the assessment process with which they are associated.
 - b) Upon posting of the draft project list, the Transmission Provider shall invite written comments to be submitted to the Transmission Provider.
 - c) The Transmission Provider shall review the draft project list with the stakeholder working groups and the Regional State Committee.
 - d) Considering the input from the stakeholders through this review process, the Transmission Provider shall prepare a recommended list of proposed ITP Upgrades based upon the analysis as described in Section III, upgrades within proposed Balanced Portfolios, and proposed high priority upgrades for review and approval.
- 2) Disclosure of the Recommended Set of Upgrades and Supporting Information from Planning Studies
 - a) The Transmission Provider shall disclose planning information, which includes the recommended list of proposed upgrades and the underlying studies, by providing:

- i) All stakeholders equal access, notice and opportunity to participate in planning summits, the stakeholder working group meetings and the sub-regional planning meetings as well as any associated web conferences or teleconferences as set forth in Section II of this Attachment O; and
 - ii) For the contemporaneous availability of such meeting handouts on the SPP website.
- b) The related study results, criteria, assumptions, analysis results, and data underlying the studies used to develop the proposed ITP Upgrades, the list of upgrades within proposed Balanced Portfolios, and proposed high priority upgrades shall be posted on the SPP website, with password protected access if required to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement and to address CEII requirements. Additionally, Transmission Owner specific local plans and criteria shall be accessible via an electronic link on the SPP website in accordance with Section VII of this Attachment O. The CEII compliant redacted version of the SPP Transmission Expansion Plan and individual Transmission Owner specific local plans shall be posted on the SPP website. Redacted versions shall include instructions for acquiring the complete version of the SPP Transmission Expansion Plan and individual Transmission Owner specific local plans. An electronic link shall be provided on the SPP website by which stakeholders may send written comments on the SPP Transmission Expansion Plan and Transmission Owner specific local plans and criteria.

3) Approval and Endorsement Process

- a) The Markets and Operations Policy Committee shall make a recommendation regarding the approval of ITP Upgrades. Approval by the SPP Board of Directors is required for the inclusion of ITP Upgrades in the SPP Transmission Expansion Plan.
- b) The Markets and Operations Policy Committee shall make a recommendation regarding the inclusion of a proposed Balanced Portfolio in the SPP Transmission Expansion Plan. Approval by the SPP Board of Directors is required for inclusion of a Balanced Portfolio in the SPP Transmission Expansion Plan. SPP is not required to have a Balanced Portfolio each year.
- c) If the SPP Board of Directors approves a list of ITP Upgrades, upgrades within Balanced Portfolios, or high priority upgrades

other than those recommended by the Markets and Operations Policy Committee, the explanation for the deviation shall be included in the SPP Transmission Expansion Plan.

- d) The Markets and Operations Policy Committee shall make a recommendation regarding the approval of a high priority upgrade recommended by the Transmission Provider. Approval by the SPP Board of Directors is required for the inclusion of a high priority upgrade in the SPP Transmission Expansion Plan.
- e) The Markets and Operations Policy Committee shall make a recommendation regarding endorsement of a proposed Sponsored Upgrade. Endorsement by the SPP Board of Directors is required for the inclusion of a Sponsored Upgrade in the SPP Transmission Expansion Plan.
- f) The list of projects shall be posted on the SPP website by the Transmission Provider. The Transmission Provider shall, in addition to the posting, e-mail notice of such posting to the stakeholders at least ten days prior to a meeting at which the SPP Board of Directors is expected to take action on accepting or modifying the list.
- g) The list of approved ITP Upgrades, upgrades within approved Balanced Portfolios, approved high priority upgrades, and endorsed Sponsored Upgrades may be modified throughout the year by the SPP Board of Directors provided that such action shall be posted and noticed pursuant to this section.
- h) The list of upgrades for Transmission Service are approved in accordance with the provisions of Attachment Z1 and included in the STEP accordingly.
- i) The list of interconnection facilities and other transmission upgrades related to requests for generation interconnection service are approved in accordance with the provisions of Attachment V and included in the STEP accordingly.
- j) The SPP Transmission Expansion Plan shall be presented to the SPP Board of Directors at least once a year. Approval of the ITP Upgrades, Balanced Portfolios, and high priority upgrades, and the endorsement of the other projects contained in the SPP Transmission Expansion Plan by the SPP Board of Directors shall certify a regional plan for meeting the transmission needs of the SPP Region.

4) Updates to the SPP Transmission Expansion Plan

- a) Modifications to the SPP Transmission Expansion Plan may be made between the annual approvals as required to maintain system reliability and to meet new business opportunities as they are identified.
- b) The Transmission Provider shall work with the stakeholders on an on-going basis throughout the year analyzing any newly identified issues and incorporating any necessary adjustments to the SPP Transmission Expansion Plan on an out of cycle basis.
- c) On a quarterly basis, the Transmission Provider shall post any modifications to the SPP Transmission Expansion Plan on the SPP website.
- d) The modifications shall be reviewed by the stakeholders and the Regional State Committee, endorsed by the stakeholder working groups, and approved or endorsed by the SPP Board of Directors, in accordance with Section V of this Attachment O.

5) Removal of an Upgrade from the SPP Transmission Expansion Plan.

The Transmission Provider, in consultation with the stakeholders in accordance with Section V of this Attachment O, may remove an upgrade from an approved SPP Transmission Expansion Plan. A Transmission Owner that has incurred costs related to the removed upgrade shall be reimbursed for any expenditure pursuant to Section VIII of Attachment J to the Tariff.

6) Status of Upgrades Identified in the SPP Transmission Expansion Plan

- a) The Transmission Provider shall track the status of planned system upgrades to ensure that the projects are built in time or that acceptable mitigation plans are in place to meet customer and system needs.
- b) On a quarterly basis, at a minimum, the Transmission Provider shall:
 - i) Report to the Markets and Operations Policy Committee, the Regional State Committee and the SPP Board of Directors on the status of the upgrades identified in the SPP Transmission Expansion Plan; and
 - ii) Post the status of the upgrades on the SPP website.

VI. Construction of Transmission Facilities

- 1) The Transmission Provider shall not build or own transmission facilities. The Transmission Provider, with input from the Transmission Owners and other stakeholders, shall designate in a timely manner within the SPP Transmission Expansion Plan (“STEP”) one or more Transmission Owners to construct, own, and/or finance each project in the plan.
- 2) Any owner of Transmission Facilities, as defined in Attachment AI of this Tariff, which are or are capable of being used by the Transmission Provider to provide transmission service pursuant to Part II and Part III of this Tariff, shall have the right to sign the SPP Membership Agreement as a Transmission Owner and thereby acquire all of the rights and obligations of a Transmission Owner described therein, including all of the rights and obligations of a Transmission Owner described in this Tariff and specifically this Section VI. Each Transmission Owner and every other entity designated to construct a project by the Transmission Provider pursuant to this Section VI shall use due diligence to construct transmission facilities as directed by the SPP Board of Directors subject to such siting, permitting, and environmental constraints as may be imposed by state, local and federal laws and regulations, and subject to the receipt of any necessary federal or state regulatory approvals. Such construction shall be performed in accordance with Good Utility Practice, applicable SPP Criteria, industry standards, the applicable Transmission Owner’s specific reliability requirements and operating guidelines (to the extent these are not inconsistent with other requirements), and in accordance with all applicable requirements of federal or state regulatory authorities. Each Transmission Owner shall be fully compensated to the greatest extent permitted by the Commission for the costs of construction undertaken by such Transmission Owner in accordance with this Tariff.
- 3) A specific endorsed Sponsored Upgrade in the SPP Transmission Expansion Plan will be deemed approved for construction upon execution of a contract that financially commits a Project Sponsor to such upgrade.
- 4) After a new transmission project is (i) approved under the SPP Transmission Expansion Plan or (ii) required pursuant to a Service Agreement or (iii) required by a generation interconnection agreement to be constructed by a Transmission Owner(s) other than the Transmission Owner that is a party to the generation interconnection agreement, the Transmission Provider shall direct the appropriate Transmission Owner(s) to begin implementation of the project for which financial commitment is required prior to the approval of the next update of the SPP Transmission Expansion Plan. At the discretion of the SPP Board of Directors, the Transmission Provider may direct the appropriate Transmission Owner(s) to begin implementation of other such approved or required transmission projects for which financial commitment is not required prior to approval of the next SPP Transmission Expansion Plan. The direction from the Transmission Provider shall be provided in writing to the Transmission Owner(s) designated to construct

the project (“Designated Transmission Owner(s)”). The written notification to the Designated Transmission Owner(s) shall include but not be limited to: (1) the specifications of the project required by the Transmission Provider and (2) a reasonable project schedule, including a project completion date (“Notification to Construct”). If the project forms a connection with facilities of a single Transmission Owner, that Transmission Owner shall be designated to construct the project. If the project forms a connection with facilities owned by multiple Transmission Owners, the applicable Transmission Owners will be designated to provide their respective new facilities. If there is more than one Transmission Owner designated to construct a project, the Designated Transmission Owners will agree among themselves which part of the project will be provided by each entity. If the Designated Transmission Owners cannot come to a mutual agreement regarding the assignment and ownership of the project the Transmission Provider will facilitate their discussion. Each project or segment of a project being built by a single Designated Transmission Owner shall be considered a separate project for purposes of Section VI.6 and each Designated Transmission Owner will receive a separate Notification to Construct for each project or segment of a project they are responsible to construct.

- 5) Network Upgrade(s) and Distribution Upgrades (as defined in Attachment V to the Tariff) identified in a generation interconnection agreement will be constructed pursuant to the generation interconnection agreement or pursuant to Section VI.4 of this Attachment O. Network Upgrades and Distribution Upgrades (as defined in Attachment V to the Tariff) identified in a generation interconnection agreement required to be constructed by the Transmission Owner who is a party to the generation interconnection agreement shall be constructed pursuant to the generation interconnection agreement. All other Network Upgrades and Distribution Upgrades (as defined in Attachment V to the Tariff) identified in a generation interconnection agreement to be constructed by Transmission Owners not a party to the generation interconnection agreement shall be constructed pursuant to Section VI.4 of this Attachment O.
- 6) In order to maintain its right to construct the project, the Designated Transmission Owner shall respond within ninety (90) days after the receipt of the Notification to Construct with a written commitment to construct the project as specified in the Notification to Construct or a proposal for a different project schedule and/or alternative specifications in its written commitment to construct (“Designated Transmission Owner’s proposal”). The Transmission Provider shall respond to the Designated Transmission Owner’s proposal within ten (10) days of its receipt of the proposal. If the Transmission Provider accepts the Designated Transmission Owner’s proposal, the Notification to Construct will be modified according to the accepted proposal and the Designated Transmission Owner shall construct the project in accordance with the modified Notification to Construct. If the Transmission Provider rejects the Designated Transmission Owner’s proposal, the Designated Transmission Owner’s proposal shall not be deemed an acceptable written commitment to construct the project. However, the Transmission

Provider's rejection of such proposal shall not preclude a Designated Transmission Owner from providing a written commitment to construct the project after such rejection, provided the subsequent written commitment to construct the project is made within the ninety day time period after the issuance of the Notification to Construct.

If a Designated Transmission Owner does not provide an acceptable written commitment to construct within the ninety (90) day period, the Transmission Provider shall solicit and evaluate proposals for the project from other entities and select a replacement designated provider. The Transmission Provider shall solicit proposals from entities that meet certain specified legal, regulatory, technical, financial and managerial qualifications, specifically including the following:

- i) Entities that have obtained all state regulatory authority necessary to construct, own and operate transmission facilities within the state(s) where the project is located,
- ii) Entities that meet the creditworthiness requirements of the Transmission Provider,
- iii) Entities that have signed or are capable and willing to sign the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project, and
- iv) Entities that meet such other technical, financial and managerial qualifications as are specified in the Transmission Provider's business practices.

The Transmission Provider shall evaluate each proposal with regard to the cost, reliability and timeliness of the proposed construction of the project and shall make a recommendation to the Board of Directors. The Board of Directors shall thereafter select an entity making a proposal and arrange for that entity to construct the project and become the Designated Transmission Owner.

At any time, a Designated Transmission Owner may elect to arrange for another entity or another existing Transmission Owner to build and own all or part of the project in its place subject to the qualifications in Subsections i, ii, iii, and iv above.

Nothing in this Section VI.6 shall relieve a Transmission Owner of its obligation to construct an upgrade as specified in Section VI.2 of this Attachment O and Section 3.3(a) of the SPP Membership Agreement in the event that no other qualified entity can be found to construct the project.

VII. Information Exchange

- 1) Data Requirements
 - a) Any entity that is subject to the NERC Reliability Standards is required to provide data to the Transmission Provider in accordance the NERC Reliability Standards for Modeling, Data and Analysis (the “NERC MOD Standards”).
 - b) When an entity has developed a preliminary engineering concept for new facilities that impact the interconnected operation of the Transmission System, it shall contact the Transmission Provider so that the optimal integration of any new facilities and potentially benefiting parties can be identified.
 - c) In preparation for the annual update of transmission planning models for each annual planning cycle, Members, Transmission Customers, Transmission Owners, Generation Interconnection Customers and all other stakeholders must provide to the Transmission Provider the data specified in this Section VII.
 - d) During the course of the annual planning cycle, if material changes to the data occur, the data owners must provide timely written notice to the Transmission Provider.
 - e) The format required to submit modeling data shall be posted on the SPP website.
 - f) The modeling data shall be posted on the SPP website with password protected access.
- 2) Owners of transmission facilities shall provide to the Transmission Provider:
 - a) Modeling data for power flow, short-circuit and stability analysis;
 - b) Detailed power system models of their transmission systems and provide updates to their models via a password protected web based application;
 - c) Data regarding the design and operation of their transmission facilities;
 - d) Their FERC Form 715;
 - e) Their individual company-specific planning criteria;

- f) Planning grade cost estimates and schedules for upgrades in the SPP Transmission Expansion Plan in a timely manner;
 - g) Their five-year transmission construction plans; and
 - h) Their transmission fixed charge rate.
- 3) Generator owners shall provide to the Transmission Provider:
- a) Modeling data for power flow, short-circuit and stability analysis;
 - b) Data for planned additions or upgrades, including status and expected in-service dates, planned retirements and environmental restrictions; and
 - c) Modeling data to perform economic planning studies in accordance with Sections III and IV of this Attachment O. Data required to model generating units for the economic planning studies is documented in the Transmission Network Economic Modeling and Methods manual which shall be posted on the SPP website.
- 4) Transmission Customers
- a) Network Customers shall provide the Transmission Provider an update of the information on its Network Integration Transmission Service application with a ten year forecast of summer and winter load at each delivery point and ten year projection of network resources and with any other information that has changed from the original application.
 - b) Point-to-point Transmission Customers shall provide to the Transmission Provider their good faith projections on their need for service including transmission capacity, duration and points of delivery and receipt over the ten year planning horizon.
 - c) Transmission Customers with existing and planned demand response resources, including demand response resources, shall provide information on such resources.
- 5) Neighboring Transmission Providers and RTOs

In accordance with applicable agreements and Section VIII of this Attachment O, the Transmission Provider shall exchange with neighboring Transmission Providers and RTOs the data required for the development of power flow cases, short-circuit cases and stability cases over the ten year planning horizon.

6) Stakeholder Access to Transmission Planning Information

- a) The planning information, data, and models provided pursuant to this Section VII shall be sufficient to allow parties to replicate results of the planning studies.
- b) The Transmission Provider shall provide a secure web-based workspace for hosting and sharing planning information, data, and models.
- c) The secure web-based workspace shall be password protected and require CEII clearance in accordance with Section VII.8 of this Attachment O.
- d) Instructions to obtain access to the Transmission Provider's power flow models shall be posted on the SPP website.
- e) Instructions to obtain copies of the Transmission Provider's transmission planning maps shall be posted on the SPP website.

7) Confidentiality Requirements

- a) The Transmission Provider shall make all reasonable efforts to preserve the confidentiality of information in accordance with the provisions of the Tariff and the SPP Membership Agreement.
- b) For those entities that have executed a confidentiality agreement, the Transmission Provider shall provide password protected access to confidential information related to the SPP Transmission Expansion Plan and the underlying studies and models via the SPP website.
- c) The form of confidentiality agreement shall be posted on the SPP website.
- d) Resource specific data shall not be made available by the Transmission Provider if the data has been designated confidential by the data provider or if the data can be used to:
 - i) Determine security constrained unit commitment or economic dispatch for resources; or
 - ii) Perform an economic evaluation of costs and benefits.
- e) Other transmission planning information shall be posted on the SPP website and may be password protected, as appropriate.

f) Confidentiality agreements shall be required for Members and Market Participants to receive data where the owner of the data has given permission to the Transmission Provider to release the data.

8) Critical Energy Infrastructure Information (CEII) Requirements

a) The Transmission Provider shall take appropriate steps to protect CEII information.

b) The Transmission Provider shall screen Members and Market Participants prior to providing access to CEII information. Individuals that do not belong to a confirmed pre-screened Member or Market Participant shall be directed to the Commission's website for instructions for access to CEII information.

c) For those entities that have met the CEII requirements in Section VII.8.b of this Attachment O, the Transmission Provider shall provide password protected access to CEII information related to the SPP Transmission Expansion Plan and the underlying studies and models via the SPP website.

d) The Transmission Provider shall follow the guidelines set forth by the Commission to flag data which shall be treated as CEII sensitive.

VIII. Inter-regional Coordination

- 1) The Transmission Provider shall undertake to coordinate any studies required to assure the reliable, efficient, and effective operation of the Transmission System with, at a minimum, first-tier adjacent interconnected systems. Such coordination shall include:
 - a) Sharing system plans to ensure that such plans are simultaneously feasible and otherwise use consistent assumptions and data; and
 - b) Identifying system enhancements that could relieve inter-regional congestion or integrate new resources on an aggregate basis.
- 2) The Transmission Provider shall undertake to coordinate any studies with other transmission providers primarily through participation in the agreements listed in Addendum 1 to this Attachment O.
- 3) On an annual basis, the Transmission Provider shall review the ongoing planning activities under the agreements specified in Addendum 1 to this Attachment O to determine the need for any additional inter-regional studies. The Transmission Provider shall share this review with the stakeholders at a planning summit and solicit input regarding additional inter-regional studies that should be initiated by the Transmission Provider.

IX. Recovering Costs Associated with the Planning Process

- 1) The Transmission Provider's costs associated with the planning process and associated studies set forth in this Attachment O shall be recovered pursuant to Schedule 1-A of the Tariff.
- 2) The Transmission Provider's costs associated with studies for potential Sponsored Upgrades, shall be the responsibility of the entities requesting such studies.
- 3) The Transmission Provider's costs for studies associated with requests for long-term firm transmission service shall be recovered pursuant to Sections 19 and 32 of the Tariff.
- 4) The Transmission Provider's costs for studies associated with requests for interconnection service shall be recovered pursuant to Attachment V of the Tariff.

X. Cost Allocation

The costs associated with new or upgraded transmission facilities shall be allocated in accordance with Attachment J to the Tariff.

XI. Dispute Resolution

Any dispute regarding the planning process shall be resolved utilizing the procedures identical to those set forth in Section 12 of the Tariff.

ADDENDUM 1 TO ATTACHMENT O

INTER-REGIONAL COORDINATION AGREEMENTS

In accordance with Section VIII of Attachment O, the Transmission Provider shall undertake to coordinate any studies with other transmission providers primarily through participation in the agreements listed below:

- 1) The Joint Operating Agreement between the Midwest Independent Transmission System Operator, Inc. (MISO) and Southwest Power Pool, Inc. (SPP);
- 2) The Transmission Coordination Agreement between the Associated Electric Cooperative, Inc. (AECI) and the Southwest Power Pool, Inc. (SPP);
- 3) The United States Department of Energy Southwestern Power Administration Agreement Between United States of America and Southwest Power Pool, Inc. (the “SPA Agreement”);
- 4) The Eastern Interconnection Reliability Assessment Group; and
- 5) Bilateral agreements between the Transmission Provider and transmission systems to which the SPP Region is interconnected.

SPP shall continue its efforts to formalize and improve seams agreements with its neighbors and affected systems to facilitate inter-regional and interconnection wide transmission planning and expansion.

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(NOTE: The following is information that is requested to be provided by the DTO when Assignment or Novation is pursued by the DTO that has been issued an NTC. This information is not intended to be SPP OATT definitions.)

Business Practice

1. Assignment

An “assignment” is the transfer of a DTO’s legal right to build a project pursuant to a NTC issued by SPP. Although the DTO has transferred its legal right to build a project pursuant to an assignment, the original DTO is still under a legal obligation to ensure that the project is built.

2. Novation

A “novation” is the release of the original DTO’s obligation to ensure that a project is built. After the DTO’s assignment of the right to build and the approval and execution of a novation, the new TO will have both the right and obligation to build the project. If the party receiving both an assignment and a novation fails to complete the project, the original DTO is not obligated to complete the project.

3. SPP Board Approval

3.1. Assignments

3.1.1. Criteria

The SPP Board shall approve Assignments conditioned only on the four specific criteria already identified in the SPP Tariff. Those criteria are:

- a. The Entity’s having obtained all state regulatory authority necessary to construct, own and operate transmission facilities within the state(s) where the project is located;
- b. The Entity’s meeting the creditworthiness requirements of the Transmission Provider;
- c. The Entity’s having signed, or capability and willingness to sign, the SPP Membership Agreement as a Transmission Owner upon the selection of its proposal to construct and own the project; and,
- d. The Entity’s meeting such other technical, financial and managerial qualifications as are specified in the Transmission Provider’s business practices.

3.1.2. Additional Information for Transparency Purposes

For transparency purposes SPP shall provide information regarding proposed assignments and supporting analysis to the RSC, MOPC, and Members Committee for review to increase transparency. This information will include:

- a. The identification of the project proposed to be assigned;
- b. The identification of the Transmission Owner making the assignment;
- c. The identification of the entity receiving the assignment;
- d. The identification and status of pertinent matters before FERC or state commissions related to the project including the assignment (this shall include the status of any certification proceeding, approvals, etc.);
- e. A comparison of the DTO and proposed recipient of Assignment relating to each (assuming that party constructs the project) as applicable:
 - i. Actual or Projected debt/equity ratios;

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- ii. Actual or Projected cost of capital;
 - iii. Actual or Projected return on equity or applicable measure;
 - iv. Actual or Proposed type and amount of construction financing costs, i.e. Interest rate, AFUDC or CWIP;
 - v. S&P and Moody's credit ratings;
 - vi. Estimated Net Plant Carrying Charge (NPCC) or Annual Transmission Revenue Requirement (ATRR) for the life of the project after it is placed in-service; and
 - vii. An explanation describing the difference in the ATRR;
- f. A comparative analysis as to whether assignment changes the ROE, weighted cost of capital, and overall costs for the project, whether any performance guarantees between the parties exists and whether any consideration between the parties is included in the ATRR;
- g. Whether the Assigning Party will own, operate and maintain the facility; and Detail on what process was used in selecting the potential DTO.

Assignments between affiliates are subject to the same criteria noted in Section 3.1.1; however, once an affiliate has provided the information to SPP it shall not be required to be resubmitted with each project thereafter provided there are no substantive information changes from the previous submission.

3.2. Novations

The SPP Board shall approve novations conditioned upon the information required in Section 3.1.1 above. If not already provided, the information provided in Section 3.1.2 above, as well as the following information:

- The identification and status of pertinent matters before FERC related to the novation of the project(s).

Dept	Doc ID	Document Title	Current Version	Current Rev Date
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Revision History

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1.0	4/4/2012	1/1/2012	kq/ cs	Assignment and Novation

Approval

Primary Owner: **Jimmy Womack**



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Signature date supercedes prior approval dates