

September 30, 2009

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: *Southwest Power Pool, Inc.*, Docket No. ER09-____
Submission of Network Integration Transmission Service Agreement

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and section 35.13 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submits an executed Service Agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and Associated Electric Cooperative, Inc. ("Associated") as Network Customer ("Associated Service Agreement"), as well as an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider, Associated as the Network Customer, and Oklahoma Gas and Electric Company ("OG&E") as the Host Transmission Owner ("Associated NOA") (the Associated Service Agreement and the Associated NOA are collectively "the Associated Agreements"). The Associated Agreements submitted in this filing modify the currently effective Service Agreement and NOA accepted for filing by the Commission on September 17, 2008, in Docket No. ER08-1325-000.¹ SPP is submitting this filing because the Associated Agreements include terms and conditions that do not conform to the standard forms of service agreements that are in SPP's Open Access Transmission Tariff ("SPP Tariff").²

Description and Justification of Revisions to the Agreements

The Associated Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the agreements accepted by the September Letter

¹ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-1325-000 (Sept. 17, 2008) ("September Letter Order").

² See SPP Tariff at Attachment F and Attachment G.

Order except for the revisions described below.³ These revisions have been made with Associated's consent and are necessary to help facilitate Associated's request for transmission service.⁴ As noted above, the Associated Agreements are being filed with the Commission because they contain modifications that do not conform to SPP's standard forms of service agreements, and therefore, the Associated Agreements are not solely included in SPP's quarterly electronic filing of transmission service agreements pursuant to Order No. 2001.⁵

Specifically, the Wholesale Distribution Service Charge specified in Section 8.8 of Attachment 1 to the Associated Service Agreement reflects updated charges. Consistent with the SPP Tariff,⁶ the Parties also updated the detail of the Wholesale Distribution Service Charges and delivery points in Appendix 4 to the Associated Service Agreement. The Commission accepted a similar update to the Wholesale Distribution Service Charge and updates to Appendix 4 in the September Letter Order.

SPP is serving a copy of this filing on the representatives for Associated and OG&E listed in the Associated Agreements.

³ The Associated NOA submitted in this filing is identical to the NOA for Associated accepted by the Commission in the September Letter Order.

⁴ Copies of the Associated Agreements are provided as Exhibit I, with redlined pages showing the changes between the Associated Agreements submitted in this filing and the agreements accepted in the September Letter Order as Exhibit II.

⁵ *Revised Public Utility Filing Requirements*, Order No. 2001, 2001-2005 FERC Stats. & Regs., Regs. Preambles ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reconsideration and clarification denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *enforcing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *enforcing*, Order No. 2001-D, 102 FERC ¶ 61,334, *order on clarification*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), *order on clarification*, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), *order adopting EQR data dictionary*, Order No. 2001-G, 120 FERC ¶ 61,352, *order on reh'g and clarification*, Order No. 2001-H, 121 FERC ¶ 61,289 (2007), *order revising EQR data dictionary*, Order No. 2001-I, III FERC Stats. & Regs., Regs. Preambles ¶ 31,282 (2008).

⁶ See SPP Tariff at Schedule 10, which provides that "All rates and charges for Wholesale Distribution Service *shall be on file with the appropriate agency as required by law or regulation*. To the extent that a Service Agreement containing provisions for Wholesale Distribution Service is required to be filed with the Commission, the Transmission Provider, in consultation with the appropriate Transmission Owner, *shall provide along with the filing, adequate cost support to justify the customer-specific rates and charges being assessed thereunder.*" (emphasis added).

Effective Date and Waiver

SPP requests an effective date of September 1, 2009 for the Associated Agreements. Pursuant to section 35.11 of the Commission's rules and regulations, 18 C.F.R. § 35.11, SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3. Waiver is appropriate because the Associated Agreements are being filed no later than 30 days after the commencement of service.⁷

Additional Information

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:

(1) Documents submitted with this filing:

In addition to this transmittal letter, clean copies of the Associated Agreements are included herein as Exhibit I, with the redlined pages of the Associated Agreements included as Exhibits II.

(2) Effective Date:

As discussed herein, SPP respectfully requests that the Commission accept the Associated Agreements with an effective date of September 1, 2009.

(3) Service:

SPP is serving a copy of this filing on the representatives for Associated and OG&E listed in the Associated Agreements.

(4) Basis of Rate:

All charges will be determined in accordance with SPP's Tariff.

⁷ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (the Commission will grant waiver of the 60-day prior notice requirement "if service agreements are filed within 30 days after service commences.").

B. Communications:

Copies of this filing have been served upon all parties to the Associated Agreements. Any correspondence regarding this matter should be directed to:

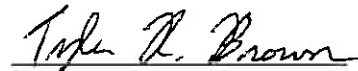
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Conclusion

For all the foregoing reasons, SPP respectfully requests that the Commission accept the Associated Agreements with an effective date of September 1, 2009.

Respectfully submitted,



Wendy N. Reed
Matthew K. Segers
Tyler R. Brown

**Attorneys for Southwest Power
Pool, Inc.**

EXHIBIT I

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

This Network Integration Service Agreement ("Service Agreement") is entered into this 1st day of September 2008, by and between Associated Electric Cooperative, Inc. ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as a "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Federal Energy Regulatory Commission ("Commission"), as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the Southwest Power Pool and acts as agent for the Transmission Owners in providing service under the Tariff; and

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

Whereas, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0 The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.
- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service 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 Service 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 Service Agreement by reference. In the case of any conflict between this Service 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 Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective through September 1, 2013. 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 Service Agreement.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.
- 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. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.
- Southwest Power Pool:

Carl Monroe
Executive Vice President and Chief Operating
Officer
415 N. McKinley, 140 Plaza West
Little Rock, AR 72205

Network Customer: James J. Jura

Chief Executive Officer and General Manager

2814 S. Golden


Springfield, MO 65807

- 7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.
- 8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER





Carl Monroe
Executive Vice President and Chief Operating Officer
Southwest Power Pool, Inc.

NETWORK CUSTOMER



James J. Jura
Chief Executive Officer and General Manager
Associated Electric Cooperative, Inc.

9/24/09

Date

9-15-09

Date

ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND ASSOCIATED ELECTRIC COOPERATIVE, INC.

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Network Resources

The Network Resources are listed in Appendix 1.

2.0 Network Loads

The Network Load consists of the bundled native load or its equivalent for Network Customer load physically located on Oklahoma Gas and Electric Company's transmission system as listed in Appendix 3. The Network Customer's load is dynamically telemetered to and included in the Associated Electric Cooperative's control area.

The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point and at each generating facility. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

3.0 Affected Control Areas and Intervening Systems Providing Transmission Service

The affected Control Area is Associated Electric Cooperative. The load is dynamically telemetered to and included in the Associated Electric Cooperative's control area but physically on the Oklahoma Gas and Electric Company Transmission System. The intervening systems providing transmission service are none

4.0 Electrical Location of Initial Sources

See Appendix 1.

5.0 Electrical Location of the Ultimate Loads

The loads of Network Customer identified in Section 2.0 hereof as the Network Load are electrically located on the Oklahoma Gas and Electric Company's transmission system. The load is dynamically telemetered to and included in the Associated Electric Cooperative control area.

6.0 Delivery Points

The delivery points are the interconnection points 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 Service 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 34.1 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

8.4 Ancillary Service Charges

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

- a) Tariff Administration Service per Schedule 1A of the Tariff.
- b) Scheduling. System Control and Dispatch Service per Schedule 1 of the Tariff.
- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.
- d) Regulation and Frequency response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve - Spinning Reserve Service per Schedule 5 of the Tariff.
- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services will be self-supplied by the Network Customer in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1 and 2.

8.4.2 With its annual forecasts, the Network Customer shall indicate its source for Ancillary Services in accordance with the Tariff to be in effect for the upcoming calendar year. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be provided for and charged in accordance with the Tariff.

8.4.3 When the Network Customer elects to self provide Ancillary Services and is unable to provide its own Ancillary Services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the

Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

8.4.4 All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

8.5 Real Power Losses

The Network Customer shall replace losses in accordance with Attachment M of the Tariff. The Network Customer will self provide losses by adjusting the interchange metering to include losses at the Otoe and Muldrow loads.

8.6 Power Factor Correction Charge

N/A

8.7 Redispatch Charge

Redispatch charges shall be in accordance with Section 33.3 of the Tariff.

8.8 Wholesale Distribution Service Charge

Regarding Associated Electric Cooperative load physically located on the Oklahoma Gas and Electric transmission system, the Wholesale Distribution Service Charge is calculated as \$2,862.82 per month for the OTOE delivery point. The Network Customer and Oklahoma Gas and Electric Company (OG&E) have entered into a separate agreement, effective September 1, 2006, regarding charges for direct assignment facilities (DAF). This monthly amount is subject to change in accordance with the DAF Agreement. A detail of charges and delivery points to which charges are applicable are included as Appendix 4, Attachment A and B. Such changes shall be made with appropriate written notice to the Transmission Provider and in accordance with the DAF Agreement. The Network Customer, pursuant to Attachment C of the DAF Agreement, shall compensate Oklahoma Gas and Electric Company for line losses associated with Network Customer's use of the distribution facilities by adjusting billing demand and energy quantities by applying the following loss factors:

Demand Loss Factor: 0.83 %

Energy Loss Factor: 0.66 %

These rates do not include transmission level losses determined in accordance with Attachment M of the Tariff.

8.9 Network Upgrade Charges

8.10 Other Charges

N/A

9.0 Credit for Network Customer-Owned Transmission Facilities

None

10.0 Designation of Parties Subject to Reciprocal Service Obligation

None

11.0 Other Terms and Conditions

None

APPENDIX 1

Network Resources of Associated Electric Cooperative, Inc.

APPENDIX 1

NETWORK RESOURCES

NETWORK RESOURCE	Maximum Net Dependable Capacity (MW)		LOCATION
	Summer	Winter	
KAMO Electric Cooperative, Inc and Associated Electric Cooperative, Inc Integration Agreement executed January 9, 1998	13	13	Associated Electric Cooperative ("AECI") shall schedule their fleet of generation to serve delivery points as listed in Appendix 3. AECI will supply KAMO with sufficient Energy to meet the delivery points' hourly Energy demand and to account for the appropriate transmission and distribution losses associated with Energy deliveries from the AECI generation busses to the points of delivery. AECI agrees to sell KAMO sufficient Capacity to meet the peak demand and planning reserve capacity. AECI shall supply KAMO with Ancillary Services 3, 4, 5, and 6.

Appendix 2

Receipt Points of Associated Electric Cooperative Inc.

Appendix 3

Delivery Points of Associated Electric Cooperative Inc.

APPENDIX 3
DELIVERY POINTS

Bus Num.	Bus Name	Ownership	Name	Voltage (kV)
514737	OTOE 4138.0	OKGE	OTOE 138	138
515253	KAMOMUL269.0	KAMO	KAMO MULDROW 69	69

Appendix 4

**Agreement Between Associated Electric Cooperative Inc.
and Oklahoma Gas and Electric Company Regarding Charges for Direct Assignment
Facilities
(DAF)**