

October 5, 2009

VIA HAND DELIVERY

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

Re: *Southwest Power Pool, Inc.*, Docket No. ER10-_____
Submission of Changes to Pricing Zone Rates

Honorable Secretary Bose:

Pursuant to section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, and section 35.13 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations issued thereunder, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submits revised pages to its Open Access Transmission Tariff ("OATT" or "Tariff") to implement rate changes for Lincoln Electric System ("LES") and Omaha Public Power District ("OPPD"), which are transmission owners and pricing zones under the SPP Tariff. SPP submits this filing to track the rate updates calculated by LES and OPPD based on their respective transmission cost of service formula rates. SPP requests an effective date of August 1, 2009 for the Tariff revisions submitted in this Filing. In support, SPP states the following:

I. Background

As a Regional Transmission Organization ("RTO"), SPP administers the provision of open access transmission service on a regional basis across the facilities of the SPP transmission owners.¹ SPP's Tariff uses zonal rates where the rates for deliveries to points of delivery ("POD") or load within the SPP region are based on the zone in which the POD or load is located.² Rates for through-and-out transactions are

¹ See *Sw. Power Pool, Inc.*, 89 FERC ¶ 61,084 (1999); *Sw. Power Pool, Inc.*, 86 FERC ¶ 61,090 (1999); *Sw. Power Pool, Inc.*, 82 FERC ¶ 61,267 (1998).

² See SPP Tariff, Schedules 7-9.

based on the zone from which the power exits the SPP transmission system.³ The transmission owner controls the filing of rate changes for its zone. SPP, in turn, in administering its Tariff, will make filings necessary to incorporate any such rate changes in its Tariff.

LES is a municipal electric utility with a peak load of 747 MW that serves approximately 112,000 residential customers and 16,000 commercial and industrial customers located in Lancaster County, Nebraska, including the cities of Lincoln, Prairie Home, Waverly, Walton, Cheney, and Emerald. LES is a non-profit, customer-owned utility governed by a semi-autonomous administrative board of local citizens.

OPPD is a public corporation and political subdivision of the state of Nebraska. With a peak load of approximately 2,200 MW and a peak generating capacity of approximately 2,550 MW, OPPD serves approximately 340,000 customers in 13 eastern Nebraska counties, including the Omaha, Nebraska metropolitan area. OPPD is governed by an eight member Board of Directors elected by the people in its service territory.

Both LES and OPPD have implemented transmission cost of service formula rates for transmission services over their facilities, which have been incorporated into the SPP Tariff.⁴ Both formula rates take effect on August 1 each year.⁵

II. Description of Filing

SPP submits this filing to merely track the updated rates for transmission service applicable to LES' and OPPD's pricing zones, which are based on their formula rates for transmission services. SPP is submitting herein revised Tariff pages showing the changes to Attachment H which shows the annual revenue requirements for Network Integration Transmission Service applicable to LES' and OPPD's pricing zones, as well as the changes to Attachment T which shows the rates for Point-to-Point service for LES.⁶

³ See *id.*

⁴ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-257-000 (Jan. 27, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-256-000 (Jan. 27, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-254-000 (Jan. 27, 2009) (accepting LES's and OPPD's implementation of formula rates, as well as SPP's incorporation of such rates into the SPP Tariff, with an effective date of April 1, 2009).

⁵ See SPP Tariff at Attachment H, Sections II.5 and 6 (the rates resulting from each annual update for LES and OPPD will become effective on August 1 each year).

⁶ These sheets are attached hereto as Exhibit I, with a redlined version of the changed pages included as Exhibit II. Since OPPD does not have stated rates in Attachment T, no changes are necessary to reflect OPPD's annual update. In

In addition, pursuant to Section III.A of Attachment J of SPP's Tariff, the costs of OPPD's transmission facilities that qualify for Base Plan funding are partially spread throughout the SPP region.⁷ Specifically, if the cost of a transmission upgrade that qualifies as a Base Plan Upgrade exceeds \$100,000, one third of the cost of the upgrade is allocated to the entire SPP region in the form of a Base Plan Region-Wide ATRR in Attachment H of SPP's Tariff, as well as a Base Plan Region-Wide Point-to-Point charge in Addendum 1 to Schedule 11 of SPP's Tariff.⁸ The remainder of the cost of the Base Plan Upgrade is allocated to the OPPD zone in the form of a Base Plan Zonal ATRR in Attachment H of SPP's Tariff, as well as a Base Plan Zonal Point-to-Point charge in Addendum 2 to Schedule 11 of SPP's Tariff.⁹ The application of OPPD's updates to their formula rates has necessitated adjustments to the Base Plan Zonal and Region-Wide ATRRs and Point-to-Point rates in Attachment H and Addendums 1 and 2 to Schedule 11 of SPP's Tariff, respectively.

SPP also includes in this filing: (a) spreadsheets specifying the base plan upgrades and economic upgrade credits, as well as the revenue requirement amounts and the region-wide and zonal allocation of the costs, as Exhibit III; (b) spreadsheets detailing the calculation of the revised and new regional and zonal Base Plan Point-to-Point Transmission Charges, as Exhibit IV; and (c) a spreadsheet detailing the billing determinants used to calculate the regional and zonal rates for Point-to-Point Transmission Service for each pricing zone, as Exhibit V.

III. Effective Date and Request for Waiver

SPP respectfully requests that the Commission grant that the revisions submitted herein become effective August 1, 2009. 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 this would allow the updated rates for service to the LES and OPPD zones within SPP to become effective on the same day as they became effective under their respective

addition, SPP notes that the Tariff revisions submitted herein include language that is currently pending before the Commission in other proceedings, and have not yet been accepted. This particular language is indicated in italics. To the extent language changes due to Commission orders in these other proceedings, SPP will reflect those language changes in subsequent filings.

⁷ See SPP Tariff at Attachment J, Section III.A; *see also id.* at Section 1.3(g) (providing that OPPD's Sub 1255/3455 Transformer project will be a Base Plan Upgrade).

⁸ *See id.* at Attachment J, Section III.A.2.i.

⁹ *See id.* at Section 1.3(g).

formula rates.¹⁰ The Commission has previously approved similar revisions to the SPP Tariff,¹¹ and should therefore accept the present submission.

IV. Additional Information

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:¹²

(1) Documents Enclosed:

In addition to this transmittal letter, the following items are included: (a) the revised tariff pages, as Exhibit I; (b) a redlined version of the revised pages, as Exhibit II; (c) spreadsheets specifying the base plan upgrades and economic upgrade credits, as well as the revenue requirement amounts and the region-wide and zonal allocation of the costs, as Exhibit III; (d) spreadsheets detailing the calculation of the revised and new regional and zonal Base Plan Point-to-Point Transmission Charges, as Exhibit IV; and (e) a spreadsheet detailing the billing determinants used to calculate the regional and zonal rates for Point-to-Point Transmission Service for each pricing zone, as Exhibit V.

(2) Effective Date:

As discussed above, SPP requests an effective date of August 1, 2009 for the Tariff changes submitted herein. SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3 to allow this effective date.

¹⁰ See SPP Tariff at Attachment H, Sections II.5 and 6 (the rates resulting from each annual update for LES and OPPD will become effective on August 1 each year).

¹¹ See, e.g., *Sw. Power Pool, Inc.*, 125 FERC ¶ 61,292 (2008); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-90-001 (Feb. 12, 2009) (accepting SPP's incorporation of the first annual update of the American Electric Power Service Corporation formula rate).

¹² Because SPP is merely seeking to implement rates for LES and OPPD that have been accepted by the Commission, SPP is not submitting any cost of service information. As SPP serves only a ministerial function here, it is LES and OPPD that bear the responsibility for justifying their rates. More detailed information with respect to LES' and OPPD's rates can be found in the November 7 Filings.

(3) Names and addresses of persons to whom this filing has been mailed:

A copy of this filing has been served on all SPP Members and Customers, as well as on affected state regulatory commissions. In addition, a copy of this filing will be posted on the SPP web page (www.spp.org).

(4) Description of filing:

A description of changes, along with the reasons for these changes, is provided above.

(5) Requisite Agreements:

None required.

(6) Costs Alleged or Judged Illegal, Duplicative, or Unnecessary.

None.

(7) Basis of rates, etc.:

The basis of the rates and charges proposed herein is explained above and in Exhibits III and V.

(8) Specifically Assignable Facilities Installed or Modified:

There are none.

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B. Correspondence and Communications

Correspondence and communications with respect to this filing should be sent to, and SPP requests the Secretary to include on the official service list, the following:

Heather H. Starnes, J.D.
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V. Conclusion

For the reasons stated herein, SPP requests that the Commission accept the proposed revisions to the SPP Tariff to be effective August 1, 2009.

Respectfully submitted,



Wendy N. Reed
Matthew K. Segers

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

EXHIBIT I

Addendum 1 to Schedule 11
Rate Sheet for Region-Wide Point-to-Point Transmission Service

Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Annual Rate: \$280.6651/MW of Reserved Capacity per year.
2. Monthly Rate: \$23.3888/MW of Reserved Capacity per month.
3. Weekly Rate: \$5.3974/MW of Reserved Capacity per week.
4. Daily Rate:
 - On-Peak: \$1.0795/MW of Reserved Capacity per day.
 - Off-Peak: \$0.7711/MW of Reserved Capacity per day.

Non-Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly Rate: \$23.3888/MW of Reserved Capacity per month.
2. Weekly Rate: \$5.3974/MW of Reserved Capacity per week.
3. Daily Rate:
 - On-Peak: \$1.0795/MW of Reserved Capacity per day.
 - Off-Peak: \$0.7689/MW of Reserved Capacity per day.
4. Hourly Rate:
 - On-Peak: \$0.0675/MW of Reserved Capacity per hour.
 - Off-Peak: \$0.0320/MW of Reserved Capacity per hour.

Issued by: Heather H. Starnes, Manager, Regulatory Policy

Issued on: October 5, 2009

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Omaha Public Power District Zone

Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly Rate: \$ \$257.8719/MW of Reserved Capacity per year.
2. Monthly Rate: \$21.4893/MW of Reserved Capacity per month.
3. Weekly Rate: \$4.9591/MW of Reserved Capacity per week.
4. Daily Rate:
 - On-Peak: \$0.9918/MW of Reserved Capacity per day.
 - Off-Peak: \$0.7084/MW of Reserved Capacity per day.

Non-Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly Rate: \$21.4893/MW of Reserved Capacity per month.
2. Weekly Rate: \$4.9591/MW of Reserved Capacity per week.
3. Daily Rate:
 - On-Peak: \$0.9918/MW of Reserved Capacity per day.
 - Off-Peak: \$0.7065/MW of Reserved Capacity per day.
4. Hourly Rate:
 - On-Peak: \$0.0620/MW of Reserved Capacity per hour.
 - Off-Peak: \$0.0294/MW of Reserved Capacity per hour.

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Total Zonal Base Plan Charge

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

On-Peak and Off-Peak

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

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8	Midwest Energy, Inc.	\$4,197,347	\$18,791	\$0
9	Aquila Networks-MPS/L&P (Total)	\$20,759,283	\$15,111	\$0
9a	Aquila Networks-MPS	\$14,059,183		\$0
9b	Aquila Networks-L&P	\$6,700,100		\$0
10	Southwestern Power Administration	\$9,431,500	\$0	\$0
11	Southwestern Public Service	\$88,356,386	\$918,532	\$0
12	Sunflower Electric Corporation	\$14,484,045	\$33,098	\$0
13	Western Farmers Electric Cooperative	\$20,719,639	\$419,685	\$0
14	Westar Energy, Inc. (Kansas Gas & Electric and Westar Energy)	\$107,097,844	\$6,922,089	\$0
15	Mid-Kansas Electric Cooperative	\$5,947,002	\$111,174	\$0
16	Lincoln Electric System	\$14,168,176	\$0	\$0
17	Nebraska Public Power District	See Section II.4	\$0	\$0
18	Omaha Public Power District	\$35,176,688	\$462,856	\$0
19	Total			\$0

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2. For the purposes of determining the Region-wide Charges under Schedule 11, the Region-wide Annual Transmission Revenue Requirement, as shown in Line 3 of Table 2, shall be the sum of (i) the Base Plan Region-wide Annual Transmission Revenue Requirement, and (ii) the total Balanced Portfolio Region-wide Annual Transmission Revenue Requirements.

Table 2

1	Base Plan Region-wide ATRR	\$9,483,756
2	Total Balanced Portfolio Region-wide ATRR Total, Column (5), Table 1	\$0
3	Region-wide ATRR (Line 1 + Line 2)	\$9,483,756

3. The revenue requirements stated in this Attachment H shall not be changed absent a filing with the Commission, accompanied by all necessary cost support.
4. New or amended revenue requirements in this Attachment H shall not be filed with the Commission by the Transmission Provider unless such revenue requirements have been provided by or for a Transmission Owner. Such revenue requirements shall have been accepted or approved by the applicable regulatory or governing authority except in the event of a simultaneous filing with the Commission by the Transmission Owner and Transmission Provider.
5. If a Transmission Owner has a Commission approved formula rate, the successful completion of its approved annual formula rate update procedures shall constitute regulatory acceptance sufficient to authorize the Transmission Provider to file with the Commission to update that Transmission Owner's revenue requirements. The Transmission Provider shall follow any special procedures related to updating a Transmission Owner's revenue requirements as outlined in Section II of this Attachment.
6. The Transmission Provider shall allocate the accepted or approved revenue requirement associated with a Base Plan Upgrade, in accordance with Attachment J to this Tariff, to the Base Plan Region-wide Annual Transmission Revenue Requirement in Table 2 above and to the appropriate Base Plan Zonal Annual Transmission Revenue Requirements in Column (4) of Table 1 above.

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Lincoln Electric System
Rate Sheet For Point-to-Point Transmission Service

Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Yearly delivery: one-twelfth of the demand charge of \$18.712/kW of Reserved Capacity per year.
2. Monthly delivery: \$1.559/kW of Reserved Capacity per month.
3. Weekly delivery: \$0.360/kW of Reserved Capacity per week.
4. Daily delivery:
 - On-Peak: \$0.072/kW of Reserved Capacity per day.
 - Off-Peak: \$0.051/kW of Reserved Capacity per day.

On-Peak is all hours between HE 0700 and HE 2200, inclusive, Central Time Zone, excluding Sundays and holidays. Holidays shall be as defined by NERC, currently New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Off-Peak is all hours not designated as On-Peak.

The total demand charged in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

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Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.559/kW of Reserved Capacity per month.
2. Weekly delivery: \$0.360/kW of Reserved Capacity per week.
3. Daily delivery:
 - On-Peak: \$0.072/kW of Reserved Capacity per day.
 - Off-Peak: \$0.051/kW of Reserved Capacity per day.
4. Hourly delivery:
 - On-Peak: \$4.498/MWh of Reserved Capacity per hour.
 - Off-Peak: \$2.142/MWh of Reserved Capacity per week.

On-Peak is all hours between HE 0700 and HE 2200, inclusive, Central Time Zone excluding Sundays and holidays. Holidays shall be as defined by NERC, currently New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Off-Peak is all hours not designated as On-Peak.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

EXHIBIT II

Addendum 1 to Schedule 11
Rate Sheet for Region-Wide Point-to-Point Transmission Service

Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Annual Rate: ~~\$280.6651~~~~\$273.9184~~/MW of Reserved Capacity per year.
2. Monthly Rate: ~~\$23.3888~~~~\$22.8265~~/MW of Reserved Capacity per month.
3. Weekly Rate: ~~\$5.3974~~~~\$5.2677~~/MW of Reserved Capacity per week.
4. Daily Rate:
 - On-Peak: ~~\$1.0795~~~~\$1.0535~~/MW of Reserved Capacity per day.
 - Off-Peak: ~~\$0.7711~~~~\$0.7525~~/MW of Reserved Capacity per day.

Non-Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1. Monthly Rate: ~~\$23.3888~~~~\$22.8265~~/MW of Reserved Capacity per month.
2. Weekly Rate: ~~\$5.3974~~~~\$5.2677~~/MW of Reserved Capacity per week.
3. Daily Rate:
 - On-Peak: ~~\$1.0795~~~~\$1.0535~~/MW of Reserved Capacity per day.
 - Off-Peak: ~~\$0.7689~~~~\$0.7505~~/MW of Reserved Capacity per day.
4. Hourly Rate:
 - On-Peak: ~~\$0.0675~~~~\$0.0658~~/MW of Reserved Capacity per hour.
 - Off-Peak: ~~\$0.0320~~~~\$0.0313~~/MW of Reserved Capacity per hour.

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Omaha Public Power District Zone

Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

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4. Daily Rate:
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Total Zonal Base Plan Charge

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On-Peak and Off-Peak

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

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