

November 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. ER10-\_\_\_\_\_  
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 ("Commission") regulations, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submits: (1) an executed service agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and Kansas Municipal Energy Agency ("KMEA") as Network Customer ("KMEA Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider, KMEA as Network Customer and Kansas City Power and Light ("KCPL") as Host Transmission Owner ("KMEA NOA").<sup>1</sup> The Revised KMEA Agreements submitted in this filing modify the currently effective Service Agreement and NOA accepted for filing by the Commission on August 4, 2006, in Docket No. ER06-1195-000.<sup>2</sup> SPP is submitting this filing because the Revised KMEA 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").<sup>3</sup>

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<sup>1</sup> The KMEA Service Agreement and KMEA NOA are referred to herein collectively as "the Revised KMEA Agreements" and SPP, KMEA and KCPL are referred to collectively as "the Parties".

<sup>2</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-1195-000 (August 4, 2006) ("August Letter Order"). The Service Agreement and NOA accepted by the Commission in the August Letter Order are referred to hereinafter as the "Original KMEA Agreements."

<sup>3</sup> See SPP Tariff at Attachment F ("*pro forma* Service Agreement") and Attachment G ("*pro forma* NOA").

### **Description and Justification of Revisions to the Revised KMEA Agreements**

The Revised KMEA Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the Original KMEA Agreements except for the changes described below. These changes are necessary to help facilitate KMEA's request for transmission service.<sup>4</sup> The Revised KMEA Agreements are being filed with the Commission because they contain modifications that do not conform to the *pro forma* Service Agreement or the *pro forma* NOA.. The revisions to the Revised KMEA Agreements are discussed below.

#### **A. Revisions to the KMEA Service Agreement<sup>5</sup>**

The Parties removed non-conforming language in Section 1.0 of Attachment 1 concerning the unavailability of transmission upgrades and generation dispatch necessary to allow a Grand River Dam Authority ("GRDA") facility to provide service to KMEA until October 1, 2006. As the necessary transmission upgrades and generation dispatch are now available, this language is no longer applicable to the KMEA Service Agreement. With the removal of this language, Section 1.0 of Attachment 1 conforms to the *pro forma* Service Agreement.

The Parties also moved specific language from the first paragraph of Section 8.3 and the first paragraph of Section 11.0 of Attachment 1 to Section 8.9 of Attachment 1.<sup>6</sup>

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<sup>4</sup> Redlined pages illustrating the differences between the Revised KMEA Agreements submitted in this filing and the Original KMEA Agreements are included herein as Exhibit II.

<sup>5</sup> In addition to the changes discussed in this transmittal letter, the Parties updated the language throughout the KMEA Service Agreement to conform the KMEA Service Agreement to the most recent version of the *pro forma* Service Agreement in the SPP Tariff. *See, e.g.*, KMEA Service Agreement at Section 1.0 and Attachment 1, Section 8.4.1.

<sup>6</sup> *See* KMEA Service Agreement at Attachment 1, Section 8.9. ("For service provided during the period October 1, 2006 – October 1, 2026, for the additional resource of 15MW of GRDA, as confirmed per Transmission Service Request 1121173 and 1121177, facility upgrades are required on the American Electric Power Explorer Glenpool-Riverside Station 138kV facility to be completed on or before June 1, 2009, Oklahoma Gas and Electric transmission facility upgrades for the Explorer Glenpool-Riverside Station 138kV upgrade to be completed on or before June 1, 2009, and facility upgrades for the Beeline-Explorer Glenpool 138kV facility to be completed on or before June 1, 2009. Cost allocation for these upgrades are fully funded pursuant to SPP OATT Attachment J, base plan funding criteria and not assignable to the transmission customer."); *id.* at Attachment 1, Section 11.0 ("For service provided during the period October 1,

The relevant language details the additional facility upgrades that are necessary for the GRDA facility to provide service to KMEA from October 1, 2006 to October 1, 2026, as well as the date when each upgrade will be completed. Since this language references network upgrades rather than direct assignment of facilities, Section 8.9 of Attachment 1, "Network Upgrade Charges," is the appropriate location for the language. By moving this language to Section 8.9, the language is conforming and consistent with Section 29.3 of the SPP Tariff, which provides that network transmission service may not commence until installation of all necessary equipment has been completed.<sup>7</sup> The Commission previously has accepted similar additions of network resources to agreements submitted by SPP.<sup>8</sup>

Additionally, the first and third paragraphs from Section 8.3 of Attachment 1, as well as the second, third and fourth paragraphs of Section 11.0 of Attachment 1, have been removed because they are no longer applicable to the KMEA Service Agreement. With these provisions removed, Sections 8.3 and 11.0 of Attachment 1 to the KMEA Service Agreement conform to the *pro forma* Service Agreement.

Finally, Appendices 1 and 2 have been modified and a new Appendix 3 has been added. Appendix 1 of the KMEA Service Agreement has been updated to include a new designated resource. Appendix 2 has been modified to specify KMEA's receipt points. The new Appendix 3 specifies KMEA's delivery points that originally were listed in Appendix 2. These revisions provide additional clarity to SPP's provision of network service to KMEA, and the Commission has accepted similar revisions pertaining to the

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2006 – October 1, 2026, for the additional GRDA resource of 15MW, the requested service is contingent upon completion of upgrades to the JEC-Swissvale 345kV facility by Westar Energy on or before June 1, 2011, the completion of the new Chamber Springs-Tontitown 345kV facility by American Electric Power on or before June 1, 2009, and the completion of upgrades to the Lacygne-Paola-West Gardner 345kV facility by Kansas City Power and Light on or before June 1, 2008. These upgrades are not assignable to the Transmission Customer.”).

<sup>7</sup> See SPP tariff at Section 29.3; see also *Sw. Power Pool, Inc.*, 118 FERC ¶ 61,148, at P 40 (2007) (describing how SPP Tariff Section 29.3 “states that network service ‘shall not commence until the [transmission provider has] completed installation of all equipment.’”).

<sup>8</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-790-000 (Apr. 14, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-441-000 (Feb. 11, 2009).

listing of delivery and receipt points in other non-conforming Agreements submitted by SPP.<sup>9</sup>

**B. Non-Conforming Revisions to the KMEA NOA**

Section 3.3 of the KMEA NOA has been revised to reflect that, when multiple delivery points are provided to a specific Network Load, the delivery points will be listed in Appendix 3 of the KMEA Service Agreement. The revision was made to ensure the KMEA NOA is consistent with the KMEA Service Agreement, which provides a list of delivery points in Appendix 3. The Commission has accepted revisions similar to the revisions in Section 3.3 of the KMEA NOA in other non-conforming service agreements submitted by SPP.<sup>10</sup> Additionally, the Parties updated the language throughout the KMEA NOA to conform the KMEA NOA to the most recent version of the *pro forma* NOA in the SPP Tariff.<sup>11</sup> Finally, minor grammatical and capitalization errors in Sections 3.3, 4.3(c), 5.1, 8.3 and 18.0 of the KMEA NOA have been corrected, and unnecessary abbreviations have been removed from Section 9.1 of the KMEA NOA.

The modifications, including the non-conforming provisions, in the Revised KMEA Agreements clarify how SPP will provide network service to KMEA, and are necessary because of the unique circumstances of KMEA's service request. As such, this filing is consistent with the public interest and warrants approval by the Commission. SPP is serving a copy of this filing on the representatives for KMEA listed in the Revised KMEA Agreements.

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<sup>9</sup> See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-903-000 (May 30, 2008).

<sup>10</sup> See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1070-000 (June 25, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-903-000 (May 30, 2008).

<sup>11</sup> See, e.g., KMEA NOA, at §§ 5.1 and 8.2.

**Effective Date and Waiver**

SPP requests an effective date of November 1, 2009 for the Revised KMEA 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 Revised KMEA Agreements are being filed no later than 30 days after the commencement of service.<sup>12</sup>

**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 Revised KMEA Agreements are included herein as Exhibit I, with redlined pages illustrating the differences between the Revised KMEA Agreements submitted in this filing and the Original KMEA Agreements included as Exhibit II.

**(2) Effective Date:**

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

**(3) Service:**

SPP is serving a copy of this filing on the representatives for KMEA and KCPL listed in the Revised KMEA Agreements.

**(4) Basis of Rate:**

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

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<sup>12</sup> 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 Revised KMEA Agreements. Any correspondence regarding this matter should be directed to:

Heather Starnes, J.D.  
Manager – Regulatory Policy  
Southwest Power Pool, Inc.  
415 North McKinley, #140 Plaza West  
Little Rock, AR 72205  
Telephone: (501) 614-3380  
Fax: (501) 664-9553  
[hstarnes@spp.org](mailto:hstarnes@spp.org)

Carrie L. Bumgarner  
Matthew K. Segers  
Tyler R. Brown  
WRIGHT & TALISMAN, P.C.  
1200 G Street, N.W., Suite 600  
Washington, DC 20005-3802  
Telephone: (202) 393-1200  
Fax: (202) 393-1240  
[bumgarner@wrightlaw.com](mailto:bumgarner@wrightlaw.com)  
[segers@wrightlaw.com](mailto:segers@wrightlaw.com)  
[brown@wrightlaw.com](mailto:brown@wrightlaw.com)

**Conclusion**

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

Respectfully submitted,



Carrie L. Bumgarner  
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 1<sup>st</sup> day of June, 2006, by and between the Kansas Municipal Energy Agency ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "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 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 June 1, 2016. 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 A. Monroe  
Executive Vice President and Chief Operating Officer  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205

Transmission Customer:

James Widener  
General Manager  
Kansas Municipal Energy Agency  
6330 Lamar Avenue, Suite 110  
Overland Park, KS 66202

- 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 assigner 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.

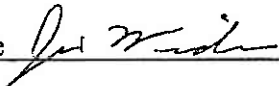
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

NETWORK CUSTOMER

APPROVED  
TK  
BY

Name  \_\_\_\_\_

Name  \_\_\_\_\_

Title EVP + COO \_\_\_\_\_

Title General Manager \_\_\_\_\_

Date 11/23/09 \_\_\_\_\_

Date 11-12-09 \_\_\_\_\_

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE  
AGREEMENT  
BETWEEN SOUTHWEST POWER POOL AND KANSAS MUNICIPAL ENERGY  
AGENCY  
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 in the Cities of Baldwin City, Gardner, Garnett, Osawatomie, and Ottawa, Kansas in Kansas City Power and Light Control Area as listed in Appendix 3 .

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 each generating facility. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters may be substituted for hourly integrated demand data. 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 Kansas City Power and Light. 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 within the Kansas City Power and Light Control Area.

**6.0 Delivery Points**

The delivery points are the meters of the Cities of Baldwin City, Gardner, Garnett, Osawatomie, and Ottawa, Kansas 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 and Part V of the Tariff.

**8.2 System Impact and/or Facility Study Charge**

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

**8.3 Direct Assignment Facilities Charge**

**8.4 Ancillary Service Charges**

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

- a) Scheduling and 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.

## **8.6 Power Factor Correction Charge**

**8.7 Redispatch Charge**

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

**8.8 Wholesale Distribution Service Charge**

**8.9 Network Upgrade Charges**

For service provided during the period October 1, 2006 – October 1, 2026, for the additional resource of 15MW of GRDA, as confirmed per Transmission Service Request 1121173 and 1121177, facility upgrades are required on the American Electric Power Explorer Glenpool-Riverside Station 138kV facility to be completed on or before June 1, 2009, Oklahoma Gas and Electric transmission facility upgrades for the Explorer Glenpool-Riverside Station 138kV upgrade to be completed on or before June 1, 2009, and facility upgrades for the Beeline-Explorer Glenpool 138kV facility to be completed on or before June 1, 2009. Cost allocation for these upgrades are fully funded pursuant to SPP OATT Attachment J, base plan funding criteria and not assignable to the transmission customer.

For service provided during the period October 1, 2006 – October 1, 2026, for the additional GRDA resource of 15MW, the requested service is contingent upon completion of upgrades to the JEC- Swissvale 345kV facility by Westar Energy on or before June 1, 2011, the completion of the new Chamber Springs-Tontitown 345kV facility by American Electric Power on or before June 1, 2009, and the completion of upgrades to the Lacygne-Paola-West Gardner 345kV facility by Kansas City Power and Light on or before June 1, 2008. These upgrades are not assignable to the Transmission Customer.

**8.10 Other Charges**

**9.0 Credit for Network Customer-Owned Transmission Facilities**

**10.0 Designation of Parties Subject to Reciprocal Service Obligation**

**11.0 Other Terms and Conditions**



**APPENDIX 1**

**Network Resources of**

**Kansas Municipal Energy Agency supplying the Cities of Baldwin City, Gardner, Garnett,  
Osawatomie, and Ottawa, Kansas**

**APPENDIX 1  
CITIES OF BALDWIN CITY, GARDNER, GARNETT, OSAWATOMIE, AND  
OTTAWA, KANSAS  
NETWORK RESOURCES**

	Network Resource	Maximum Net Dependable Capacity		Location
		Summer	Winter	
1	Nearman Participation Power Sales Agreement between Board of Public Utilities of Kansas City, Kansas and Kansas Municipal Energy Agency dated December 1, 1982. 4 <sup>th</sup> Amendment dated January 1, 1995.	15	15	Wyandotte County, Kansas
2	Power Sales Contract between Southwestern Power Administration and Kansas Municipal Energy Agency dated January 9, 2001.	2	2	
3	Contract for Electric Service between Grand River Dam Authority and Kansas Municipal Power Agency effective May 1, 2000.	15	15	
4	Power Purchase and Sale Agreement between Grand River Dam Authority and Kansas Municipal Power Agency effective as of May 11, 2005	15	15	Available 10/1/2006
6	OPPD Purchase	20	20	Term of service is 11/1/2009 to 11/1/2013
7				
8				
9				
10				
11				
12				

**Appendix 2**

**Receipt Points of**

**Kansas Municipal Energy Agency supplying the Cities of Baldwin City, Gardner, Garnett,  
Osawatomie, and Ottawa, Kansas**

**APPENDIX 2 Kansas Municipal Energy Agency RECEIPT POINTS**

Tieline / Plant Name	Ownership	Voltage (kV)
KCBPU Nearman Unit	KCBPU	161
SWPA Purchase Power Agreement	SWPA	161
GRDA Purchase Power Agreement	GRDA	161
GRDA Purchase Power Agreement	GRDA	161
OPPD Purchase Power Agreement	OPPD	345

**Appendix 3**

**Delivery Points of**

**the Cities of Baldwin City, Gardner, Garnett, Osawatomie, and Ottawa, Kansas**