

December 1, 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 Grand River Dam Authority ("GRDA") as Network Customer ("GRDA Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and GRDA as both Network Customer and Host Transmission Owner ("GRDA NOA").¹ The Revised GRDA Agreements submitted in this filing modify the currently effective Service Agreement and NOA accepted for filing by the Commission on March 24, 2009, in Docket No. ER09-639-000.² SPP is submitting this filing because the Revised GRDA 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").³

¹ The GRDA Service Agreement and GRDA NOA are collectively "the Revised GRDA Agreements," and SPP and GRDA are collectively "the Parties."

² See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-639-000 (Mar. 24, 2009) ("March Letter Order").

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

I. Description and Justification of Revisions to the Revised GRDA Agreements

The Revised GRDA Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the Service Agreement and NOA accepted by the Commission in the March Letter Order except for the changes described herein. These changes are necessary to help facilitate GRDA's request for transmission service.⁴ Specifically, the Parties entered into the Revised GRDA Agreements to reflect new upgrades that are required for GRDA to take network service from a new designated resource, Redbud Generation, effective on November 1, 2009.⁵ The revisions are discussed in more detail below.

A. Section 8.9 of Attachment 1 of the GRDA Service Agreement

Section 8.9 of Attachment 1 of the GRDA Service Agreement includes additional language specifying that the transmission service requested by GRDA from a specified designated network resource⁶ depends on and is contingent upon completion of certain upgrades. These added provisions are 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.⁷

In addition, Section 8.9(B) of Attachment 1 of the GRDA Service Agreement specifies that, upon completion of the construction of the upgrades discussed above, the funding of the costs of the upgrades will be reconciled and trued-up against actual construction costs and any additional funding or refunds shall be made between SPP and GRDA. Finally, Section 8.9(C) of Attachment 1 of the GRDA Service Agreement provides that GRDA will be responsible for paying all charges specified as its obligation

⁴ Copies of the Revised GRDA Agreements are provided in Exhibit I. Redlined pages illustrating the differences between the Revised GRDA Agreements submitted in this filing and the agreements accepted by the Commission in the March Letter Order are included in Exhibit II. The GRDA NOA submitted in this filing is identical to the NOA accepted by the Commission in the March Letter Order.

⁵ SPP determined that the upgrades would be required as a result of the SPP aggregate transmission service study ("SPP-2007-AG3").

⁶ This new designated network resource, Redbud Generation, also is added to the list of network resources in Appendix 1 of the GRDA Service Agreement.

⁷ 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.'").

for the specified term for each assigned upgrade. The Commission previously has accepted similar language in Service Agreements submitted by SPP.⁸

The modifications, including the non-conforming provisions, in the GRDA Service Agreement clarify certain contingencies for the provision of service under the GRDA Service Agreement and funding and payment provisions relating to the upgrades necessary for such service.⁹ These provisions are necessary because of GRDA's service request, and the provisions are consistent with Commission precedent. As such, this filing is consistent with the public interest and warrants acceptance by the Commission.

II. Effective Date and Waiver

SPP requests an effective date of November 1, 2009 for the Revised GRDA 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 GRDA Agreements are being filed no later than 30 days after the commencement of service under the Revised GRDA Agreements.¹⁰

⁸ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1380-000 (Aug. 17, 2009) (accepting NITS with identical provisions); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-790-000 (Apr. 14, 2009) (accepting NITS with almost identical provisions).

⁹ The GRDA Service Agreement also contains minor revisions throughout updating the GRDA Service Agreement to the most current version of the *pro forma* Service Agreement.

¹⁰ 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.").

III. 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 GRDA Agreements are included in Exhibit I, and redlined pages illustrating the differences between the Revised GRDA Agreements submitted in this filing and the agreements accepted by the Commission in the March Letter Order are included in Exhibit II.

(2) Effective Date:

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

(3) Service:

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

(4) Basis of Rate:

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

B. Communications:

Copies of this filing have been served upon all Parties to the Revised GRDA 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

Wendy N. Reed
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
reed@wrightlaw.com
segers@wrightlaw.com
brown@wrightlaw.com

The Honorable Kimberly D. Bose

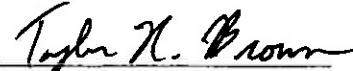
December 1, 2009

Page 5

IV. Conclusion

For all the foregoing reasons, SPP respectfully requests that the Commission accept the Revised GRDA Agreements with an effective date of November 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 18th day of November, 2009, by and between Grand River Dam Authority ("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 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 January 1, 2014. 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

Transmission Customer:

Mike Stafford
Supt. of Operations / Off System Marketing
Grand River Dam Authority
Robert S. Kerr Dam-1 mile North and 1 mile West of
Locust Grove, Ok 74352

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.

APPROVED
BY

TRANSMISSION PROVIDER

Name



Title

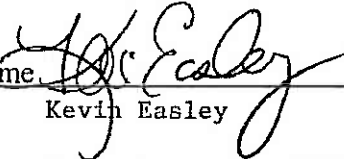
EVP & COO

Date

11/4/09

NETWORK CUSTOMER

Name


Kevin Easley

Title

Chief Executive Officer

Date

10-29-09

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE
AGREEMENT
BETWEEN SOUTHWEST POWER POOL AND GRAND RIVER DAM AUTHORITY
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 Grand River Dam Authority 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 the Grand River Dam Authority. 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 Grand River Dam Authority Control Area.

6.0 Delivery Points

The delivery points are the interconnections points of Grand River Dam Authority 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

A. The Network Customer has confirmed the following supplemental Network Resources requiring Network Upgrades:

1. Redbud Generation 150MW from POR – OKGE, Source – OKGE.REDBUD to POD – GRDA, Sink GRDA, as more specifically identified in transmission request 73495901. Contingent upon the completion of required upgrades as specified below, designation of this network resource shall be effective on November 1, 2009 and remain effective through November 1, 2014.

The requested service depends on and is contingent on completion of the following aggregate study SPP-2007-AG3 Reliability Upgrades by the required date as listed below. These Reliability upgrades costs are not assignable to the Network Customer.

Reliability Upgrades required for Redbud

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
CLAREMORE (CLRAUTO1) 161/69/13.8KV TRANSFORMER CKT 1	Replace existing transformer	GRDA	6/1/2010
CLAREMORE (CLRAUTO2) 161/69/13.8KV TRANSFORMER CKT 2	Replace existing transformer	GRDA	6/1/2010
SALLISAW CAP BANK	Add 7.2 mvar capacitor at Sallisaw 69 kV.	GRDA	6/1/2013

B. Upon completion of construction of the assigned upgrades, funding of their costs shall be reconciled and trued-up against actual construction costs and requisite, additional funding or refund of excess funding shall be made between the Transmission Provider and the Network Customer.

C. Notwithstanding the term provisions of Section 4.0 of this Service Agreement, Customer shall be responsible for paying all charges specified as its obligation in this Section 8.9 of this Attachment 1, for the term specified herein for each assigned upgrade

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
Grand River Dam Authority**

APPENDIX 1 GRAND RIVER DAM AUTHORITY NETWORK RESOURCES

Network Resource	Maximum Net Dependable Capacity		Location
	Summer	Winter	
Pensacola	102	102	Mayes Co. Oklahoma
Kerr	89	89	Mayes Co. Oklahoma
Salina	200	200	Mayes Co. Oklahoma
GRDA #1	385	385	Mayes Co. Oklahoma
GRDA #2	241	241	Mayes Co. Oklahoma
Capacity and Energy Supply Agreement between Westar Energy and GRDA regarding Redbud Generation	150	150	Oklahoma Co, Oklahoma
Redbud Generation	150	150	Oklahoma Co, Oklahoma Term of service is 11/1/2009 to 11/1/2014

Appendix 2

**Receipt Points of
Grand River Dam Authority**

Appendix 3

**Delivery Points of
Grand River Dam Authority**