

March 3, 2010

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 an executed service agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and Southwestern Public Service Company ("SPS") as Network Customer ("SPS Service Agreement"), and an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner ("SPS NOA").<sup>1</sup> The SPS Agreements submitted in this filing modify the currently effective Service Agreement and NOA that were accepted for filing by the Commission on April 1, 2009 in Docket No. ER09-715-000.<sup>2</sup> SPP is submitting this filing because the SPS Agreements include provisions 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 SPS Service Agreement and SPS NOA are referred to collectively as "the SPS Agreements," and SPP and SPS are referred to collectively as "the Parties." The SPS Agreements have been designated as Fourth Revised Service Agreement No. 543.

<sup>2</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-715-000 (Apr. 1, 2009) ("April Letter Order").

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

**Description and Justification of Revisions to the SPS Agreements**

The SPS Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the agreements accepted by the Commission in the April Letter Order except for the changes described below.<sup>4</sup> These changes have been made with the Parties' consent and are necessary to help facilitate SPS's request for transmission service.<sup>5</sup> As discussed below, the SPS Agreements are being filed with the Commission because they contain language that does not conform to the *pro forma* Agreements.

Specifically, in Section 8.3 of Attachment 1 of the SPS Service Agreement, the Parties updated the non-conforming references to the Xcel Energy Operating Companies Open Access Transmission Tariff. The Parties also updated the delivery points included in non-conforming Appendix 3 to the SPS Service Agreement. The Commission has previously accepted a previous iteration of the SPS Service Agreement that contained the same non-conforming language in Section 8.3,<sup>6</sup> as well as the addition of the non-conforming Appendix 3.<sup>7</sup> Therefore, the Commission should accept the modifications to non-conforming Section 8.3 and Appendix 3 in the SPS Service Agreement.

The non-conforming revisions to the SPS Service Agreement clarify certain terms and conditions regarding provision of network service to SPS, and are similar to provisions contained in prior non-conforming agreements accepted by the Commission.. As such, this filing is consistent with the public interest and warrants acceptance by the Commission. SPP is serving a copy of this filing on the representatives for SPS listed in the SPS Agreements.

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<sup>4</sup> There have been no changes to the SPS NOA submitted in this filing. The SPS NOA is identical to the NOA accepted by the Commission in the April Letter Order.

<sup>5</sup> Redlined pages illustrating the differences between the SPS Agreements submitted in this filing and the agreements accepted by the Commission in the April Letter Order are included herein as Exhibit II.

<sup>6</sup> The Commission approved the addition of non-conforming language in Section 8.3 of Attachment 1 to the SPS Service Agreement on September 23, 2008 in Docket No. ER08-1308-000. *See Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-1308-000 (Sept. 23, 2008) ("September Letter Order").

<sup>7</sup> The Commission approved the addition of non-conforming Appendix 3 to the SPS Service Agreement in the September Letter Order.

**Effective Date and Waiver**

SPP requests an effective date of February 1, 2010 for the SPS 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 SPS Agreements are being filed within 30 days of the effective date of the SPS Agreement.<sup>8</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 SPS Agreements are included herein as Exhibit I, with redlined pages illustrating the differences between the SPS Agreements and the agreements accepted by the Commission in the April Letter Order as Exhibit II.

**(2) Effective Date:**

As discussed herein, SPP respectfully requests that the Commission accept the SPS Agreements with an effective date of February 1, 2010.

**(3) Service:**

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

**(4) Basis of Rate:**

All charges will be determined in accordance with the SPP Tariff.

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<sup>8</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 SPS Agreements. Any correspondence regarding this matter should be directed to:

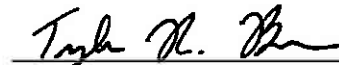
Heather Starnes, J.D.  
Manager – Regulatory Policy  
Southwest Power Pool, Inc.  
415 North McKinley, #140 Plaza West  
Little Rock, AR 72205  
Telephone: (501) 614-3380  
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1200 G Street, N.W., Suite 600  
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Fax: (202) 393-1240  
[reed@wrightlaw.com](mailto:reed@wrightlaw.com)  
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[brown@wrightlaw.com](mailto:brown@wrightlaw.com)

**Conclusion**

For all the foregoing reasons, SPP respectfully requests that the Commission accept the SPS Agreements with an effective date of February 1, 2010.

Respectfully submitted,



Wendy N. Reed  
Carrie L. Bumgarner  
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 February, 2010, by and between Southwestern Public Service Company ("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 Electric Utility eligible for service 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.

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

Issued on: March 3, 2010

Effective: February 1, 2010

- 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 14, 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.

Transmission Provider:

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

Network Customer:

Thomas A. Imbler  
Vice President, Commercial Operations,  
Xcel Energy Services Inc. as Agent for  
Southwestern Public Service Company  
550 15<sup>th</sup> Street - TSB12  
Denver, CO 80202

- 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 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 A. Monroe  
Executive Vice President  
And Chief Operating Officer  
Southwest Power Pool, Inc.

NETWORK CUSTOMER



Thomas A. Imbler  
Vice President,  
Commercial Operations,  
Xcel Energy Services  
Inc. as Agent for  
Southwestern Public  
Service Company

APPROVED  
IKG  
BY

ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT  
BETWEEN SOUTHWEST POWER POOL AND SOUTHWEST PUBLIC SERVICE COMPANY  
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 Cap Rock Electric Cooperative, Inc., Central Valley Electric Cooperative, Inc., Farmers' Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt County Electric Cooperative, Inc., 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. 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       SPS      . The intervening systems providing transmission service are       none      .

**4.0 Electrical Location of Initial Sources**

Generating Units currently owned by SPS within the SPS control area. See Appendix 1.

**5.0 Electrical Location of the Ultimate Loads**

The loads of Cap Rock Electric Cooperative, Inc., Central Valley Electric Cooperative, Inc., Farmers' Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt Electric Cooperative, Inc. identified in Section 2.0 hereof as the Network Load are electrically located within the SPS Control Area.

**6.0 Delivery Points**

The delivery points are the meters of SPS 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

#### Meter Charge:

The monthly meter charge will be the rate per delivery point as stated in the Xcel Energy Operating Companies Open Access Transmission Tariff, Attachment O - SPS, page 1 of 44, times the number of delivery points identified in Section 2.0 and Appendix 3 hereto.

#### Radial Facilities Charge:

The monthly radial facilities charge will be the monthly charge, if any, as stated in the Xcel Energy Operating Companies Open Access Transmission Tariff, Attachment O - SPS, Worksheet M.

### 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**

None identified.

**8.7 Redispatch Charge**

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

- 8.8 Wholesale Distribution Service Charge N/A
- 8.9 Network Upgrade Charges N/A
- 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 Southwestern Public Service Company to serve Cap  
Rock Electric Cooperative, Inc., Central Valley Electric Cooperative,  
Inc., Farmers' Electric Cooperative, Inc., Lea County Electric  
Cooperative, Inc., and Roosevelt Electric Cooperative, Inc.

APPENDIX 1

NETWORK RESOURCES

	Network Resource	Maximum Net Dependable Capacity (MW)		Location
		Summer	Winter	
1	<p>The Network Resources are the Network Customers fleet of generation, or from purchase power resources, including economy resources, that are committed to meet the Network Customer's network load on a firm basis under the contract between the applicable load serving entity customer and Network Customer dated as follows Customer and SPS dated Roosevelt: March 29, 1989, Central Valley: March 15, 1989, Farmers: May 29, 1989, Lea County: March 29, 1989, and Cap Rock: July 2, 1991.</p>	594	594	



**Appendix 2**

**Receipt Points of**

Cap Rock Electric Cooperative, Inc., Central Valley Electric Cooperative, Inc., Farmers' Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt County Electric Cooperative, Inc.

Appendix 2

Receipt Points

Tieline / Plant Name	Ownership	Voltage (kV)
Cap Rock Electric Cooperative, Inc., Central Valley Electric Cooperative, Inc., Farmers' Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt County Electric Cooperative, Inc. interconnection points with Southwestern Public Service Company on the Transmission Provider's Transmission System.	SPS	

Appendix 3

Delivery Points of

Cap Rock Electric Cooperative, Inc., Central Valley Electric Cooperative, Inc., Farmers' Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt County Electric Cooperative, Inc.

## Full-Requirements Customer Points of Delivery

### Central Valley Electric Cooperative

<u>Point of Delivery</u>	<u>Service KV</u>
Artesia Substation	69.0
Dexter Substation	69.0
Seven Rivers	69.0
Lake Arthur Substation	69.0
Lakewood Substation	115.0
12 Mile Hill Substation	115.0
Cottonwood Substation	69.0
Orchard Park Substation	69.0
Pinelodge Rd. Substation	69.0
Dayton Substation	115.0
Hagerman Substation #2	69.0
Y-O Substation	69.0
Irish Hills	115.0
Lusk Breaker Station	69.0
Cone Butte Substation	115.0
Walt Canyon	115.0
West Artesia	69.0

### Farmers Electric Cooperative

<u>Point of Delivery</u>	<u>Service KV</u>
Curry County Interchange	115.0
Clovis Substation	115.0
Tucumcari	115.0
Clovis Cheese	115.0
Holland Substation	115.0
Norton	115.0

### Lea County Cooperative

<u>Point of Delivery</u>	<u>Service KV</u>
Waits Station	115.0
Lovington Station	115.0
San Andreas	115.0
Plains Station-LCE Switch	115.0
KCM Substation	69.0
ERF Switching Station	69.0
Texaco 002 Substation	115.0

### Roosevelt Cooperative

<u>Point of Delivery</u>	<u>Service KV</u>
Roosevelt #1	69.0
San Juan Wind	230.0

### Cap Rock Electric Cooperative

<u>Point of Delivery</u>	<u>Service KV</u>
Vealmoor	138.0
Tate	138.0

ATTACHMENT G

Network Operating Agreement

This Network Operating Agreement ("Operating Agreement") is entered into this fourteenth day of January, 2008, by and between Southwestern Public Service Company ("Network Customer"), Southwest Power Pool, Inc. ("Transmission Provider") and Southwestern Public Service Transmission ("Host Transmission Owner"). The Network Customer, Transmission Provider and Host Transmission Owner shall be referred to 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");

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

WHEREAS, the Host Transmission Owner owns the transmission facilities to which the Network Customer's Network Load is physically connected or is the Control Area to which the Network Load is dynamically scheduled;

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

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement ("Service Agreement") under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff unless otherwise specified herein;

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

**1.0 Network Service**

This Network Operating Agreement sets out the terms and conditions under which the Transmission Provider, Host Transmission Owner, and Network Customer will cooperate and the Host Transmission Owner and Network Customer will operate their respective systems and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow the Host Transmission Owner and the Network Customer to operate their systems and Control Area and the Transmission Provider to perform its obligations consistent with Good Utility Practice.

**2.0 Designated Representatives of the Parties**

2.1 Each Party shall designate a representative and alternate ("Designated Representative(s)") from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, redispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.

2.2 The Designated Representatives shall represent the Transmission Provider, Host Transmission Owner, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.

2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are

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