

May 25, 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: (1) an executed service agreement for Network Integration Transmission Service ("Service Agreement") between SPP as Transmission Provider and Westar Energy, Inc. ("Westar") and its subsidiary Kansas Gas & Electric ("KG&E") as Network Customer ("Westar Service Agreement"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and Westar as both Network Customer and Host Transmission Owner ("Westar NOA").<sup>1</sup> The Westar Agreements submitted in this filing modify the currently effective Service Agreement and NOA that were accepted for filing by the Commission on April 13, 2010, in Docket No. ER10-823-000.<sup>2</sup> SPP is submitting this filing because the Westar 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 Westar Service Agreement and Westar NOA are referred to collectively as "the Westar Agreements," and SPP, Westar, and KG&E are referred to collectively as "the Parties." The Westar Agreements have been designated as Eighth Revised Service Agreement No. 607.

<sup>2</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-823-000 (Apr. 13, 2010) ("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 Westar Agreements**

The Westar 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 Westar's request for transmission service.<sup>5</sup>

Specifically, the Parties updated the delivery points included in the non-conforming Appendix 3 to the Westar Service Agreement. Appendix 3 of the Westar Service Agreement is not an Appendix in the *pro forma* Service Agreement; however, the Commission has accepted previous iterations of the Westar Service Agreement that contained Appendix 3.<sup>6</sup> Therefore, consistent with previous Commission letter orders, the Commission should accept the modifications to non-conforming Appendix 3 in the Westar Service Agreement.<sup>7</sup>

The non-conforming revisions to the Westar Service Agreement clarify how SPP will provide network service to Westar, and they are consistent with the Commission's previous letter orders.<sup>8</sup> As such, this filing is consistent with the public interest and

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<sup>4</sup> Redlined pages illustrating the differences between the Westar Agreements submitted in this filing and the agreements accepted by the Commission in the April Letter Order are included herein as Exhibit II.

<sup>5</sup> There have been no changes to the Westar NOA submitted in this filing. The Westar NOA is identical to the NOA accepted by the Commission in the April Letter Order.

<sup>6</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-208-000 (Dec. 17, 2008); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-196-000 (Dec. 23, 2009). In the April Letter Order, the Commission accepted similar updates to Appendix 3 in the Westar Service Agreement.

<sup>7</sup> In addition, the agreements accepted by the Commission in the April Letter Order included language that did not conform to the *pro forma* Service Agreement or the *pro forma* NOA. The non-conforming language in the agreements that the Commission previously has accepted is in Sections 8.7, 8.8, and 8.9 of Attachment 1, as well as Appendices 3 and 4 and Attachment A of the Service Agreement. See April Letter Order; *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-196-000 (Dec. 23, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-208-000 (Dec. 17, 2008). That non-conforming language is retained in the Westar Agreements submitted in this filing.

<sup>8</sup> The Parties also made minor, conforming updates to Appendix 1 of the Westar Service Agreement.

warrants acceptance by the Commission. SPP is serving a copy of this filing on the representatives for Westar and KG&E listed in the Westar Agreements.

### **Effective Date and Waiver**

SPP requests an effective date of May 1, 2010 for the Westar 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 Westar Agreement is being filed within 30 days of the effective date of the agreement.<sup>9</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, SPP includes the following:

- (a) Exhibit I: A clean copy of the Westar Agreements; and
- (b) Exhibit II: Redlined pages illustrating the differences between the Westar Agreements and the agreements accepted by the Commission in the April Letter Order.

**(2) Effective Date:**

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

**(3) Service:**

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

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<sup>9</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").

(4) **Basis of Rate:**

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

**B. Communications:**

Copies of this filing have been served upon all parties to the Westar 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)

Wendy N. Reed  
Carrie L. Bumgarner  
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1200 G Street, N.W., Suite 600  
Washington, DC 20005-3802  
Telephone: (202) 393-1200  
Fax: (202) 393-1240  
[reed@wrightlaw.com](mailto:reed@wrightlaw.com)  
[bumgarner@wrightlaw.com](mailto:bumgarner@wrightlaw.com)  
[brown@wrightlaw.com](mailto:brown@wrightlaw.com)

**Conclusion**

For all the foregoing reasons, SPP respectfully requests that the Commission accept the Westar Agreements with an effective date of May 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 30<sup>th</sup> day of October, 2008, by and between Westar Energy, Inc. and their subsidiary, Kansas Gas & Electric ("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, 2013. Thereafter, it will continue from year to year unless terminated by the Network Customer or the Transmission Provider by giving the other one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.

5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

Southwest Power Pool:

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

Network Customer:

John Olsen  
Executive Director, Power Marketing  
818 S. Kansas Avenue  
Topeka, Kansas 66612

7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.



8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

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

TRANSMISSION PROVIDER

NETWORK CUSTOMER

APPROVED  
TR  
BY

Name [Signature]  
Title Executive Vice President  
and Chief Operating Officer  
Date May 14, 2010

Name [Signature]  
Title ED, BPM  
Date 5/12/10

ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE  
AGREEMENT  
BETWEEN SOUTHWEST POWER POOL AND WESTAR ENERGY  
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 Westar Energy Control Area as defined 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 and at each wholesale customer's interconnection point on Host Transmission Owner's transmission system. For billing purposes, the amount of retail load will be defined as the amount of load connected to the Host Transmission Owner's transmission system, less all load referenced in Appendix 3 of this Service Agreement. Such loads shall be adjusted to system input for transmission and distribution losses. 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 Westar Energy's control area. 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 Westar Energy's Control Area.

**6.0 Delivery Points**

The delivery points are the interconnections points of Westar Energy 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.

For request 1140120 and request 1161506, the Emporia Energy Center resource, provide generation redispatch power in the specified amounts necessary to alleviate loadings on the facilities listed in Attachment A prior to the completion of the planned Transmission Owner reliability network upgrades or new construction associated with each limiting facility. The specified amounts and constraining facilities for which redispatch will be required are also defined in Attachment A.

The Network Customer agrees to provide at least one of the potential Westar redispatch pairs listed in Table 6 of the posted 2006-AG3-AFS-6 study, and the Transmission Provider agrees that such redispatch will satisfy the redispatch obligation.

Such redispatch obligations shall be arranged in accordance with Attachment K of the Tariff and shall occur in advance of curtailment of other firm reservations impacting these constraints. Network Customer shall bear the cost of such redispatch.

The interim network integration transmission service shall remain in place until the network upgrades are completed.

For request and resource (denoted in table below), provide generation redispatch power in the specified amounts necessary to alleviate loading on the facilities listed in Attachment A prior to completion of Service, Reliability, and Construction Pending upgrades. The Network Customer agrees to provide at least one of the potential WR redispatch pairs listed in Table 6 of the final posting of study (denoted in table below) , and the Transmission Provider agrees that such redispatch will satisfy the redispatch obligation.

OASIS Request	Resource	Aggregate Study
73315407	Central Plains Wind	2007-AG2
73447931	Meridian Way Wind	2007-AG3
73447934	Flat Ridge Wind	2007-AG3

In the absence of implementation of interim redispatch as requested by the Transmission Provider for Network Customer transactions resulting in overloads on limiting facilities, the Transmission Provider shall curtail the customers schedule.

Such redispatch obligations shall be arranged in accordance with Attachment K of the Tariff and shall occur in advance of curtailment of other firm reservations impacting these constraints. Network Customer shall bear the cost of such redispatch.

The interim network integration transmission service shall remain in place until the network upgrades are completed.

#### **8.8 Wholesale Distribution Service Charge**

The Wholesale Distribution Service Charge cost support and monthly charge is detailed in Appendix 4.

#### **8.9 Network Upgrade Charges**

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

1. Spring Creek Generation 225 MW from POR – OKGE, Source – OKGE.SpringCreek to POD – WR, Sink – WR, as more specifically identified in transmission service request 1293991. Contingent upon the completion of required upgrades as specified below, designation of this designated resource shall be effective on June 1, 2007 and shall remain effective through June 1, 2027 or if Westar discontinues to take Network Service before such date Westar shall be obligated to converted this service to Firm Point to Point Service for the remainder of this term.

The requested service requires completion of the following aggregate study SPP-2006-AG2 allocated network upgrades. The costs of these upgrades are allocated

to the Network Customer but are fully base plan fundable in accordance with Section III.A. Attachment J of the Tariff.

Network upgrades on the Coffeyville Tap – Dearing 138kV Ckt 1 facility by American Electric Power required by June 1, 2010. This upgrade consists of rebuilding 1.09 miles of circuit with 1590 ACSR conductor.

Network upgrades on the Coffeyville Tap – Dearing 138kV Ckt 1 facility by Westar Energy required by June 1, 2010. This upgrade consists of rebuilding 3.93 miles of circuit with 1590 ACSR conductor.

Network upgrades on the Rose Hill 345/138kV Transformer Ckt 3 facility by Westar Energy required by June 1, 2011. This upgrade consists of adding a third 345/138kV transformer at Rose Hill.

Network upgrades to construct approximately 50 miles of new 345kV line from the Oklahoma/Kansas state border to the Rose Hill Substation by Westar Energy required by June 1, 2016.

Network upgrades to construct approximately 50 miles of new 345kV line from the Oklahoma/Kansas state border to the Sooner Substation by Oklahoma Gas and Electric required by June 1, 2016.

The requested service depends on and is contingent on the completion of the following Transmission Owner reliability upgrades resulting from the 2006 Expansion Plan. These upgrades costs are not assignable to the Network Customer.

Transmission Owner reliability upgrades by Westar Energy on the Evans - Grant - Chisolm Rebuild and Conversion Project required by June 1, 2009 and completion of Transmission Owner reliability upgrades by Westar Energy on the Wichita - Reno 345kV facility required by July 1, 2009.

2. Stateline CC Generation additional capacity of 5MW Summer and 32MW Winter from POR – EDE, Source – EDE to POD – WR, Sink – WR, as more specifically identified in transmission service request 1605064. Contingent upon the

completion of required upgrades as specified below, designation of this designated resource shall be effective on June 1, 2013 and shall remain effective through June 1, 2024 or if Westar discontinues to take Network Service before such date Westar shall be obligated to converted this service to Firm Point to Point Service for the remainder of this term.

The requested service requires completion of the following aggregate study SPP-2007-AG1 allocated network upgrades. The costs of these upgrades are allocated to the Network Customer but are fully base plan fundable in accordance with Section III.A. Attachment J of the Tariff.

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
COFFEYVILLE TAP - DEARING 138KV CKT 1 WERE #2	Replace Disconnect Switches, Wavetrap, Breaker, Jumpers	WERE	6/1/2010
EVANS ENERGY CENTER SOUTH - LAKERIDGE 138KV CKT 1 Displacement	Replace Disconnect Switches, Wavetrap, Breaker, Jumpers	WERE	6/1/2010
LITCHFIELD - AQUARIUS - HUDSON JUNCTION 69KV CKT 1 Displacement	Replace 69 kV disconnect switches at Aquarius.	WERE	6/1/2014
NEOSHO - NORTHEAST PARSONS 138KV CKT 1	Replace bus and Jumpers at NE Parsons 138 kV substation	WERE	6/1/2011

The requested service depends on and is contingent on the completion of the following reliability and construction pending upgrades. These upgrades costs are not assignable to the Network Customer.



Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
EAST MANHATTAN - JEFFREY ENERGY CENTER 230KV CKT 1	Uprate JEC- F.Manhattan 230 kV line to 100 deg C operation by raising structures	WERE	6/1/2013
EAST MANHATTAN - NW MANHATTAN 230/115KV	Tap the Concordia - East Manhattan 230kV line and add a new substation "NW Manhattan"; Add a 230kV/115kV transformer and tap the KSU - Wildcat 115kV line into NW Manhattan	WERE	6/1/2011
East Manhattan to McDowell 230 kV	The East Manhattan-McDowell 115 kV is built as a 230 kV line, but is operated at 115 kV. Substation work will have to be performed in order to convert this line.	WERE	6/1/2011
Fort Scott - SW Bourbon 161 kV	Tap Litchfield-Marmaton 161 kV with new SW Bourbon Sub to Ft Scott.	WERE	6/1/2010
Fort Scott 161/69kV Transformer CKT 1	New 161/69 kV transformer at Ft Scott.	WERE	6/1/2010
HARPER 138KV Capacitor	Install 1 - 20 MVar capacitor bank	MKEC	6/1/2009
STRANGER CREEK - NW LEAVENWORTH 115KV	Rebuild 11.62-mile Jarbalo-NW Leavenworth 115 kV line and tap in & out of Stranger 115 kV	WERE	6/1/2011
STRANGER CREEK TRANSFORMER CKT 2	Install second Stranger Creek 345-115 transformer	WERE	6/1/2009
SUB 389 - JOPLIN SOUTHWEST - SUB 422 - JOPLIN 24TH & CONNECTICUT 161KV CKT 1	Change CT Ratio at Sub #389 on Breaker #16170 for 268 MVA Rate B	EMDE	6/1/2009
SUB 438 - RIVERSIDE 161KV	Install 3 - stages of 22 MVAR each for a total of 66 MVAR capacitor bank at Riverside Sub #438 547497	EMDE	6/1/2011
Summit - NE Saline 115 kV	Build 6.5-mile Summit-Southgate 115 kV, 1192.5 kmil ACSR Tear down Northview-South Gate 115 kV	WERE	5/1/2009
BLUE SPRINGS EAST CAP BANK	Add 50 MVAR cap bank at Blue Springs East	MIPU	6/1/2011