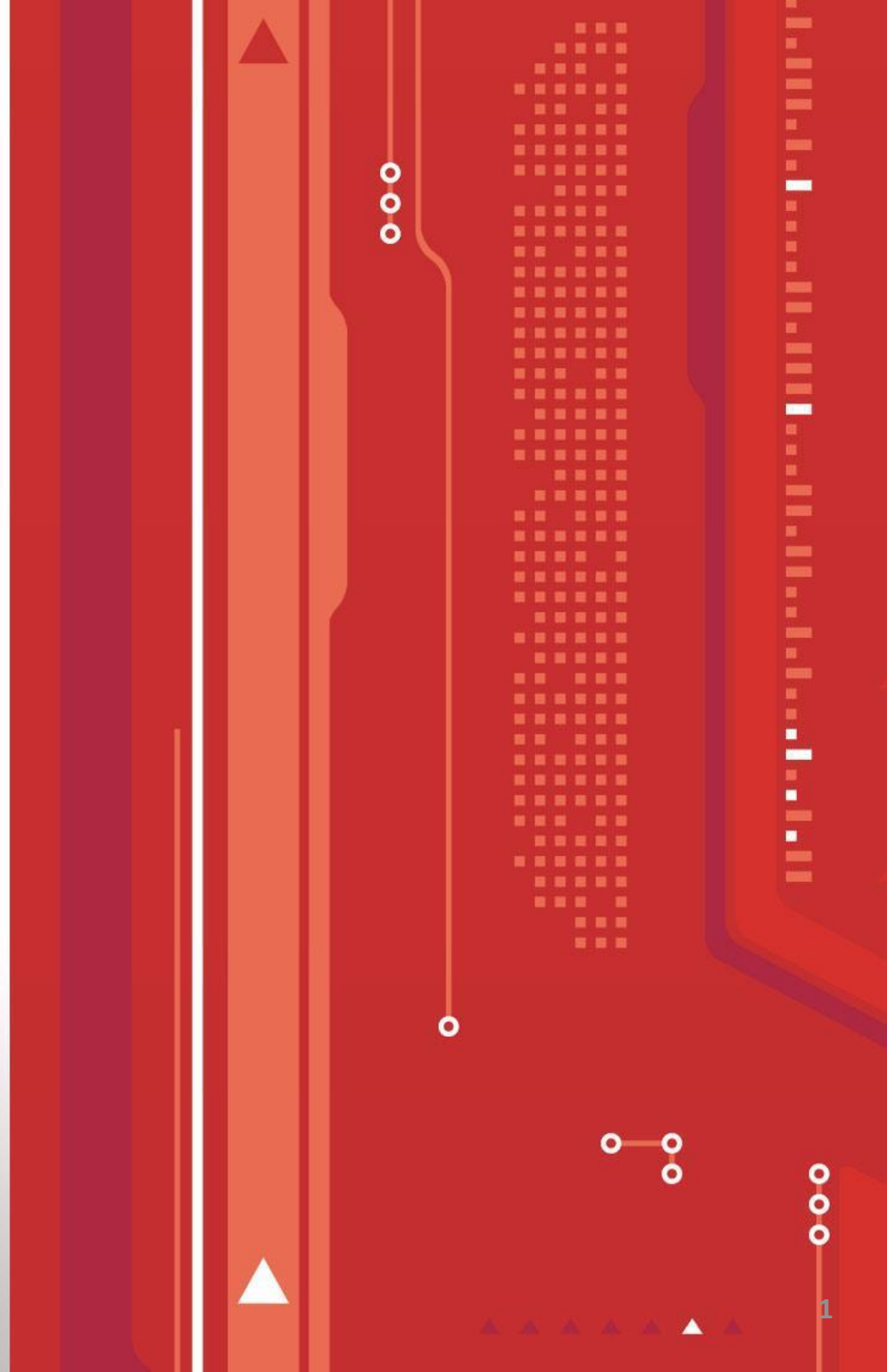


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WHAT IS THE DIFFERENCE BETWEEN:

THE CURRENT HWBW COST ALLOCATION METHOD

AND

**ABOVE 200KV 100% REGIONAL; BELOW=100%
ZONAL ?**

Overview

HWBW Cost Allocation Difference Overview		
Voltage (kV)	Current Method Cost Allocation	200 kV Cost Allocation
0-100	100% Zonal	100% Zonal
100-200	67% Zonal+33% Regional	100% Zonal
200-300	67% Zonal+33% Regional	100% Regional
300 and above	100% Regional	100% Regional

Results



Difference Between Current HWBW Cost Allocation vs. Above 200kV = 100% Regional, Below 100% Zonal Cost Allocation Methods

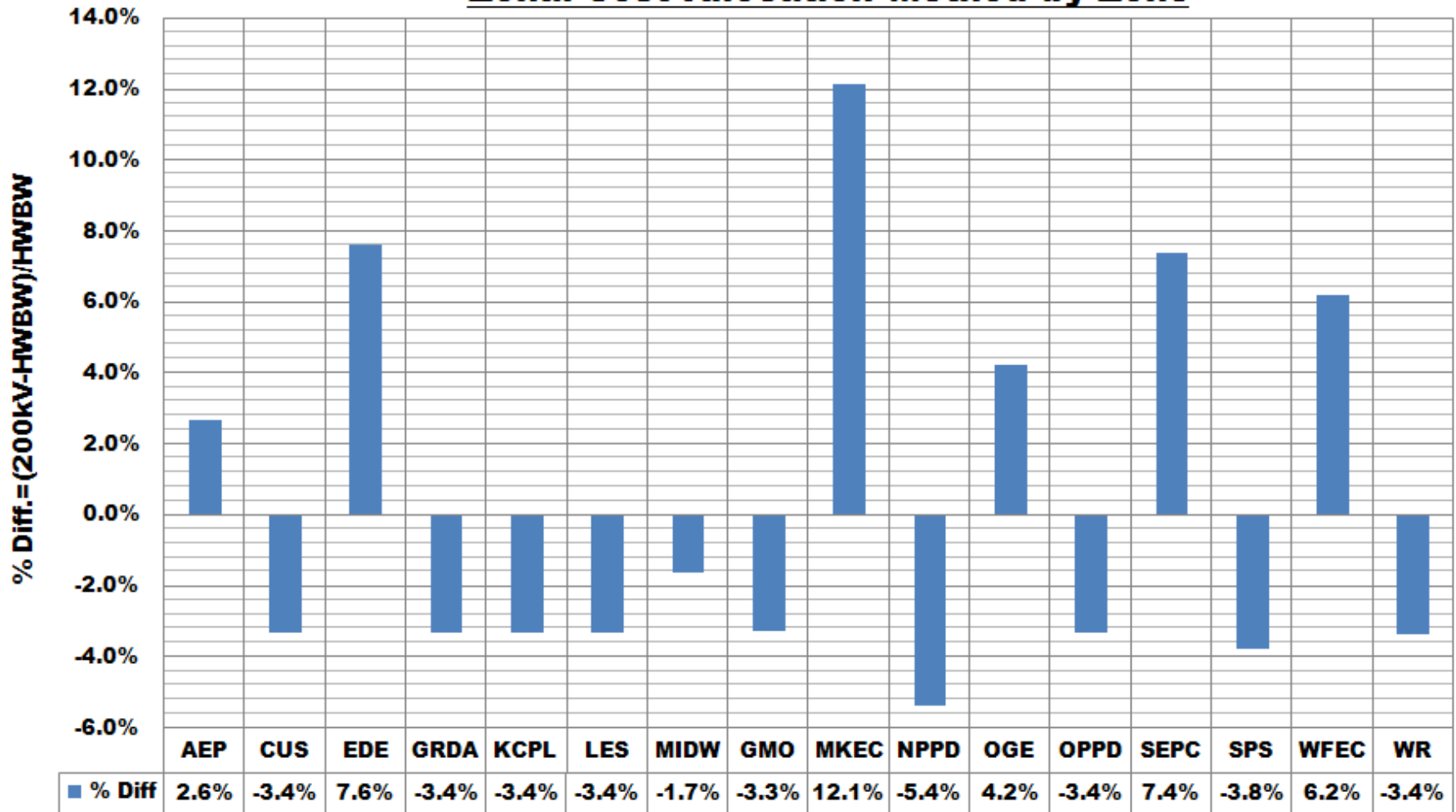
Total Present Value of 40 years of ATRR Assignment by Zone

ZONE	Current Method	200kV Method	Diff = 200kv-Current	% Diff
AEP	\$416,229,621	\$427,219,743	\$10,990,121	2.6%
CUS	\$23,698,695	\$22,901,650	-\$797,044	-3.4%
EDE	\$68,381,870	\$73,579,577	\$5,197,708	7.6%
GRDA	\$30,598,315	\$29,569,219	-\$1,029,095	-3.4%
KCPL	\$124,043,167	\$119,871,296	-\$4,171,871	-3.4%
LES	\$29,098,397	\$28,119,748	-\$978,649	-3.4%
MIDW	\$12,895,815	\$12,682,716	-\$213,099	-1.7%
GMO	\$65,464,386	\$63,298,434	-\$2,165,952	-3.3%
MKEC	\$27,220,129	\$30,525,156	\$3,305,027	12.1%
NPPD	\$110,234,899	\$104,271,797	-\$5,963,102	-5.4%
OGE	\$249,379,654	\$259,832,253	\$10,452,598	4.2%
OPPD	\$75,895,819	\$73,343,260	-\$2,552,560	-3.4%
SEPC	\$19,785,115	\$21,243,305	\$1,458,191	7.4%
SPS	\$234,776,451	\$225,858,667	-\$8,917,784	-3.8%
WFEC	\$86,111,006	\$91,446,121	\$5,335,115	6.2%
WR	\$293,402,718	\$283,453,116	-\$9,949,602	-3.4%
Total	\$1,867,216,057	\$1,867,216,057	\$0	0.0%

Note: Depreciation = 2.5%, Discount Rate = 8%, over 40 years of ATRRs

% Difference: 200kV above=100% Regional, Below=100% Zonal vs. Current HWBW

% Diff. Current HWBW v. Above 200kV=100% Regional, Below=100% Zonal Cost Allocation Method by Zone



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