



 **SPP** *Southwest  
Power Pool*



# **How We Got Here**

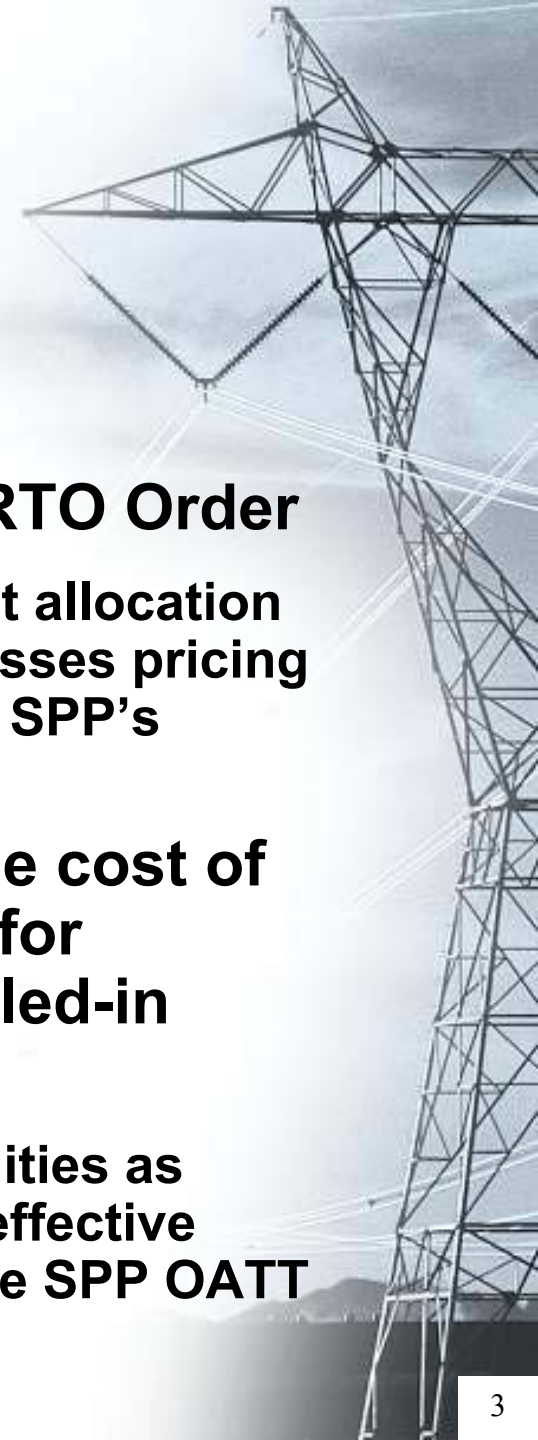
**Cost Allocation  
Symposium**

**October 12, 2004**

**Dallas, TX**

# The Driver

- ❖ **FERC requirement in 2/10/04 SPP RTO Order**
  - ◆ to develop and file a transmission cost allocation plan by the end of this year that addresses pricing treatment for the projects identified in SPP's transmission plan
- ❖ **SPP OATT sunset provision that the cost of all Network Upgrades constructed for service under the SPP OATT be rolled-in after February 1, 2005**
  - ◆ to assess rate treatments for new facilities as possible alternatives to the currently effective Tariff provisions in Attachment J of the SPP OATT

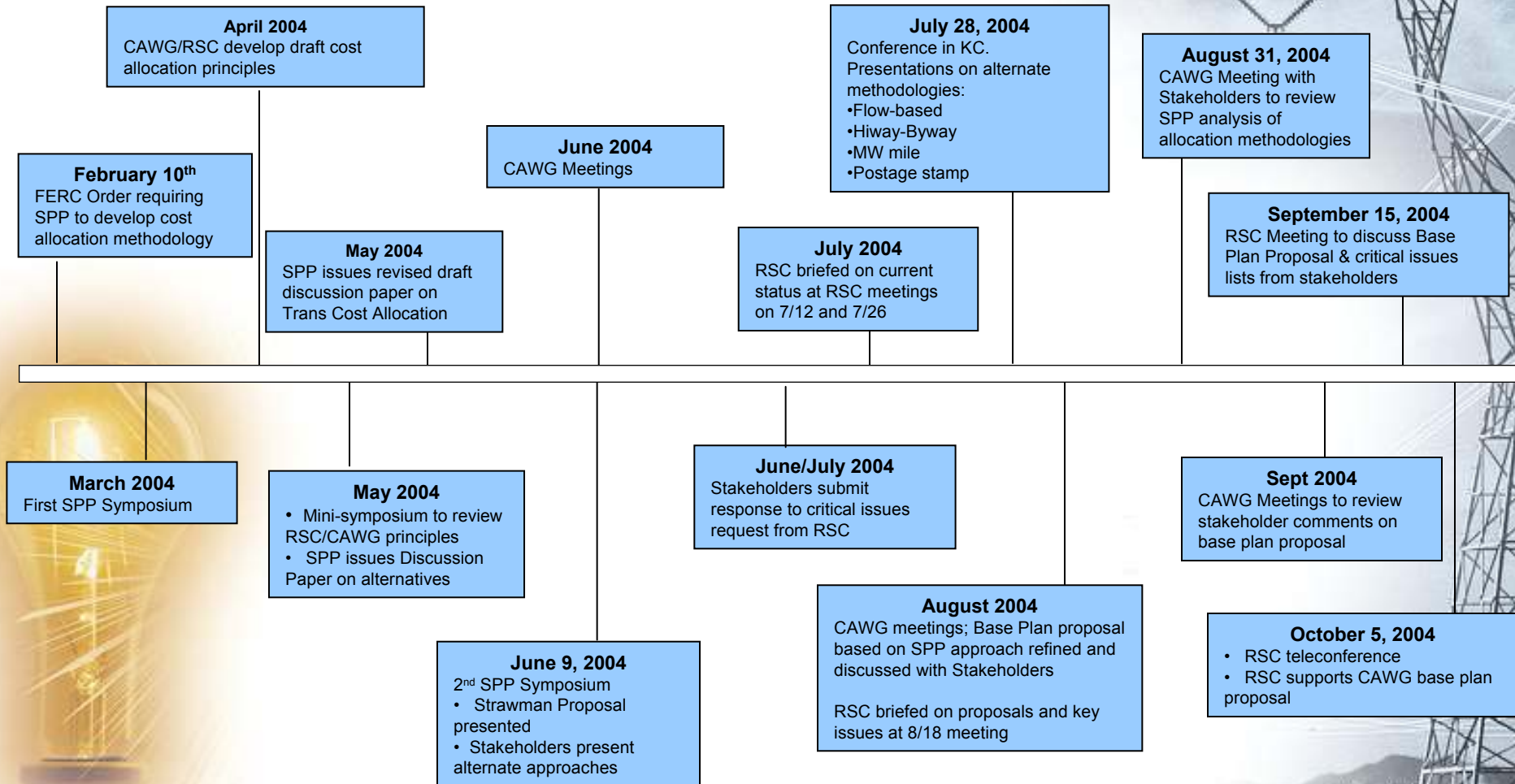


# Stakeholder Participation

- ❖ **SPP kicked off the stakeholder process to receive input to develop a transmission cost allocation plan with the March 18<sup>th</sup> symposium**
- ❖ **The CAWG took the lead in this process in mid-June, teleconferencing 1 or 2 times a week since April**
- ❖ **To date... 14 meetings/teleconferences with stakeholder participation**



# Key Dates in Process



# **Cost Allocation – Methodologies Considered**

- ❖ **Rolled in regionally and/or zonally**
  - ◆ **Postage stamp and/or license plate**
- ❖ **MW-mile**
- ❖ **Flow based**
- ❖ **Highway/Byway**
  - ◆ **Functional test or bright line test**





# **Inputs – Stakeholders’ Written Comments Solicited**

- ❖ **Critical transmission cost allocation issues for stakeholders**
  - ◆ Responses from AEP, Empire, Entergy, Golden Spread, KCP&L, KMU, OG&E, SWPA, TDU group, Westar, Wind, Xcel
  
- ❖ **Base funding and economic upgrade issues from the September 8<sup>th</sup> RSC conference call**
  - ◆ Responses from AEP, Entergy, Golden Spread, KMU, TDU group, TO group



# Deliverables

- ❖ **Base Funding Proposal**
  - ◆ **Evolving proposal distributed to stakeholders August 24<sup>th</sup> and 25<sup>th</sup> and September 16<sup>th</sup>**
  - ◆ **RSC supported proposal dated October 5<sup>th</sup>**
- ❖ **Economic Upgrade Proposal**
  - ◆ **Work in progress**







*Lighting the past...powering the future!*

**<http://www.spp.org>**

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