

13.0 Cost of New Entry

The Cost of New Entry (“CONE”) value shall be 85.61 \$/kw-yr. The CONE value shall be reviewed on or before November 1st of each year by the Transmission Provider and any changes shall be filed with the Commission. The Transmission Provider shall post the Commission-approved CONE for the next Summer Season on the SPP website within ten (10) calendar days of Commission approval.

The Transmission Provider’s calculation of the CONE for the SPP Balancing Authority Area shall be based on publicly available information (e.g., information provided by the Energy Information Administration) relevant to the estimated annual capital and fixed operating costs of a hypothetical natural gas-fired peaking facility. The Transmission Provider shall consider factors, including, but not limited to: (1) physical factors (such as, the type of generating resource that could reasonably be constructed to provide Firm Capacity in the SPP Balancing Authority Area, costs associated with locating the Resource within the SPP Balancing Authority Area); (2) financial factors (such as, the hypothetical debt/equity ratio for the Resource, the cost of capital, a reasonable return on equity, applicable taxes, interest, insurance); and (3) other costs (such as, costs related to permitting, environmental compliance, operating and maintenance expenses). In calculating the CONE value, the Transmission Provider shall not consider the anticipated net revenue from the sale of capacity, energy or Ancillary Services.