

QUESTION NO. AXM 7-28:

Pease provide SPS's total Texas retail base rate revenues for each of the last five calendar years along with the total Texas retail revenues for each rider that was in effect during this period.

RESPONSE:

SPS Total Texas Retail Base Rate and Rider Revenues

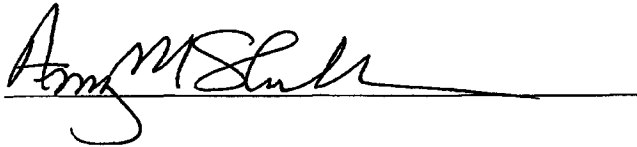
	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011
Total Texas Retail Base Revenue	\$313,010,728	\$316,981,423	\$367,366,150	\$382,003,832	\$405,490,922
Riders					
PCRF	\$11,120,118	\$11,875,656	\$12,987,347	\$12,133,905	\$1,231,938
TCRF				\$4,355,015	\$695,697

Preparer: Jeffrey Comer

Sponsors: Michael E. Mally, Richard M. Luth

CERTIFICATE OF SERVICE

I certify that on the 14th day of January 2013, a true and correct copy of the foregoing instrument was served on all parties of record by electronic service and by either hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.

A handwritten signature in black ink, appearing to read "Amy M. Smith", is written over a horizontal line.

Southwestern Public Service Company
Transmission Related Information

Line No.	Description	2007	2008 (1)	2009	2010 (1)	2011
1	Transmission Plant Related:					
2	Gross Plant - Balance at Dec. 31	763,299,049	823,579,848	928,838,783	973,239,271	1,110,491,356
3	Accumulated Depreciation - Balance at Dec. 31	(258,254,503)		(278,091,307)		(315,157,905)
4	Net Plant	505,044,546		650,747,476		795,333,450
5	ADIT - Balance at Dec. 31	(79,570,722)		(132,450,019)		(185,430,420)
6	Net Plant Related - Balance at Dec. 31	425,473,824		518,297,457		609,903,030
7						
8	Depreciation Expense	16,535,572		19,617,094		25,072,815
9						
10	Non-Wheeling Transmission O&M Expense	13,883,915	13,564,369	14,095,541	17,457,283	17,958,864

(1) Plant data that uses Texas depreciation rules was not produced for 2008 or 2010.

Southwestern Public Service Company

Base Rate Charges From The Southwestern Power Pool for the Calendar Years 2007 - 2012 To Date Including the Test Year Period July 2011 - June 2012

	January 2012 - November 2012	July 2011 - June 2012	2011	2010	2009	2008	2007
SPP Network Charges							
Schedule 2 - Reactive Supply and Voltage Control	\$ 173,124	\$ 240,833	\$ 254,658	\$ 246,179	\$ -	\$ -	\$ -
Schedule 9 - Tri-County Formula Rate	839,386	356,554	-	-	-	-	-
Schedule 12 - FERC Assessment	1,331,600	1,399,714	1,352,602	1,254,667	1,333,965	703,147	689,171
Total SPP Network Charges	\$ 2,344,111	\$ 1,997,102	\$ 1,607,260	\$ 1,500,846	\$ 1,333,965	\$ 703,147	\$ 689,171
SPP Administration Fee Charges							
FERC 561.4	\$ 3,141,337	\$ 2,782,698	\$ 2,651,051	\$ 1,883,333	\$ 1,631,204	\$ 2,737,553	\$ 2,980,256
FERC 561.8	576,980	511,108	486,928	345,811	265,480	356,987	730,428
FERC 575.7	2,692,574	2,385,169	2,272,329	1,616,531	1,950,635	2,857,118	2,369,950
Total SPP Administration Fee Charges	\$ 6,410,892	\$ 5,678,975	\$ 5,410,308	\$ 3,845,675	\$ 3,847,319	\$ 5,951,658	\$ 6,080,634
SPP Transmission Expansion Plan Charges	\$ 18,606,228	\$ 11,816,952	\$ 8,168,541	\$ 2,746,932	\$ 1,544,986	\$ 100,763	\$ -
Total SPP Charges	\$ 27,361,230	\$ 19,493,028	\$ 15,186,109	\$ 8,093,453	\$ 6,726,270	\$ 6,755,569	\$ 6,769,805

Southwestern Public Service Company
Transmission Related Information

Line No.	Description	2013	2014	2015	2016	2017
1	Transmission Plant Related:					
2	Gross Plant - Balance at Dec. 31	1,426,861,885	1,899,184,428	2,063,327,165	2,164,351,905	2,364,841,612
3	Accumulated Depreciation - Balance at Dec. 31	(349,673,087)	(382,539,388)	(424,309,978)	(470,784,017)	(518,838,789)
4	Net Plant	1,077,188,799	1,516,645,040	1,639,017,187	1,693,567,888	1,846,002,823
5	ADIT - Balance at Dec. 31	(239,235,893)	(255,775,127)	(275,962,058)	(295,720,788)	(318,016,011)
6	Net Plant Related - Balance at Dec. 31	837,952,906	1,260,869,913	1,363,055,128	1,397,847,100	1,527,986,811
7						
8	Depreciation Expense	15,934,411	17,738,614	22,296,369	23,892,035	24,938,123
9						
10	Non-Wheeling Transmission O&M Expense	22,447,801	23,446,709	23,229,121	23,615,991	24,168,408

Southwestern Public Service Company

Budgeted Base Rate Charges From The Southwestern Power Pool for the Calendar Years 2013 - 2017

	2013	2014	2015	2016	2017
SPP Network Charges					
Schedule 2 - Reactive Supply and Voltage Control	\$ 254,658	\$ 254,658	\$ 254,658	\$ 254,658	\$ 254,658
Schedule 9 - Tri-County Formula Rate	1,297,487	1,325,059	1,354,332	1,381,963	1,406,726
Schedule 12 - FERC Assessment	1,370,485	1,400,947	1,430,136	1,455,265	1,475,395
Total SPP Network Charges	\$ 2,922,629	\$ 2,980,664	\$ 3,039,126	\$ 3,091,887	\$ 3,136,779
SPP Administration Fee Charges					
FERC 561.4	\$ 4,034,272	\$ 4,659,186	\$ 4,822,498	\$ 4,929,036	\$ 5,043,378
FERC 561.8	740,989	855,769	885,765	905,333	926,335
FERC 575.7	3,457,947	3,993,588	4,133,569	4,224,888	4,322,895
Total SPP Administration Fee Charges	\$ 8,233,208	\$ 9,508,543	\$ 9,841,832	\$ 10,059,257	\$ 10,292,608
SPP Transmission Expansion Plan Charges					
	\$ 38,161,973	\$ 52,587,731	\$ 59,179,094	\$ 60,999,056	\$ 64,070,987
Total SPP Charges	\$ 49,317,809	\$ 65,076,938	\$ 72,060,052	\$ 74,150,199	\$ 77,500,374

Sum of Amount		
Subldgr Full Desc	Obj Acct - Posting Acct Desc	Total
10844537 - TOL2C-Replace Economiz	730390 - CWIP Productive Labor	55,635.34
	730400 - CWIP Loading-NonProductive	9,618.06
	730500 - CWIP Loading-Pension & 401K	7,848.57
	730600 - CWIP Loading-Insurance	11,919.58
	730700 - CWIP Loading-Taxes	6,786.33
	731050 - CWIP Inj & Dam Loading	187.71
	731060 - CWIP Incentive Loading	14,721.70
	732405 - CWIP EE Exp Airfare	1,312.60
	732410 - CWIP EE Exp Car Rental	152.42
	732420 - CWIP EE Exp Milage	3,818.57
	732430 - CWIP EE Exp Hotel	2,859.00
	732435 - CWIP EE Exp Meals-EE's	1,076.45
	732445 - CWIP EE Exp Parking	43.45
10844537 - TOL2C-Replace Economizer Total		115,979.78
10866223 - HAR1C - H1 NOX Reducti	730390 - CWIP Productive Labor	31,105.50
	730400 - CWIP Loading-NonProductive	5,478.63
	730500 - CWIP Loading-Pension & 401K	4,419.48
	730600 - CWIP Loading-Insurance	5,763.98
	730700 - CWIP Loading-Taxes	2,894.87
	731050 - CWIP Inj & Dam Loading	160.38
	731060 - CWIP Incentive Loading	4,928.93
	732400 - CWIP Employee Expenses	110.04
	732420 - CWIP EE Exp Milage	532.55
10866223 - HAR1C - H1 NOX Reduction Proje Total		55,586.53
11161739 - CHC1C-Controls Retrofit U	730390 - CWIP Productive Labor	182,827.72
	730400 - CWIP Loading-NonProductive	31,140.10
	730500 - CWIP Loading-Pension & 401K	19,985.43
	730600 - CWIP Loading-Insurance	35,438.48
	730700 - CWIP Loading-Taxes	20,378.68
	731050 - CWIP Inj & Dam Loading	188.28
	731060 - CWIP Incentive Loading	23,423.43
	731100 - CWIP Overtime Labor	537.34
	731850 - CWIP Material-Sm Cap Purchas	4,418.46
	732400 - CWIP Employee Expenses	5,554.51
	732405 - CWIP EE Exp Airfare	1,953.61
	732410 - CWIP EE Exp Car Rental	4,314.58
	732415 - CWIP EE Exp Taxi/Bus	11.75
	732420 - CWIP EE Exp Milage	11,295.10
	732430 - CWIP EE Exp Hotel	16,913.15
	732435 - CWIP EE Exp Meals-EE's	5,630.05
	732460 - CWIP EE Exp Other	110.25

11161739 - CHC1C-Controls Retrofit U1	Total	364,120.92
11185766 - TS0CAP-Build Storage La	730390 - CWIP Productive Labor	202,261.05
	730400 - CWIP Loading-NonProductive	34,990.22
	730500 - CWIP Loading-Pension & 401K	27,697.53
	730600 - CWIP Loading-Insurance	37,654.58
	730700 - CWIP Loading-Taxes	21,333.41
	731050 - CWIP Inj & Dam Loading	647.76
	731060 - CWIP Incentive Loading	38,533.27
	731100 - CWIP Overtime Labor	1,546.93
	731850 - CWIP Material-Sm Cap Purchas	3,077.03
	732400 - CWIP Employee Expenses	613.55
	732405 - CWIP EE Exp Airfare	2,086.00
	732410 - CWIP EE Exp Car Rental	343.83
	732420 - CWIP EE Exp Milage	13,687.69
	732430 - CWIP EE Exp Hotel	905.93
	732435 - CWIP EE Exp Meals-EE's	3,287.07
	732445 - CWIP EE Exp Parking	42.07
	732460 - CWIP EE Exp Other	763.61
	733000 - CWIP Rents Equipment	210.43
11185766 - TS0CAP-Build Storage Lagoon	Total	389,681.96
11223816 - TOL0C - TolkX Water Wel	730390 - CWIP Productive Labor	195,763.30
	730400 - CWIP Loading-NonProductive	32,456.98
	730500 - CWIP Loading-Pension & 401K	24,141.65
	730600 - CWIP Loading-Insurance	41,959.35
	730700 - CWIP Loading-Taxes	20,014.84
	731050 - CWIP Inj & Dam Loading	516.15
	731060 - CWIP Incentive Loading	31,228.27
	731100 - CWIP Overtime Labor	896.35
	731850 - CWIP Material-Sm Cap Purchas	4,077.09
	732400 - CWIP Employee Expenses	1,356.21
	732420 - CWIP EE Exp Milage	6,081.80
	732435 - CWIP EE Exp Meals-EE's	1,561.71
	732800 - CWIP License Fees & Permit	225.00
11223816 - TOL0C - TolkX Water Well	Phase Total	360,278.70
11236475 - TOL2C-Purchase Sootblo	730390 - CWIP Productive Labor	201,998.30
	730400 - CWIP Loading-NonProductive	34,221.76
	730500 - CWIP Loading-Pension & 401K	28,767.08
	730600 - CWIP Loading-Insurance	39,261.19
	730700 - CWIP Loading-Taxes	20,952.59
	731050 - CWIP Inj & Dam Loading	622.02
	731060 - CWIP Incentive Loading	40,036.20
	731100 - CWIP Overtime Labor	178.70
	731850 - CWIP Material-Sm Cap Purchas	2,054.01
	732400 - CWIP Employee Expenses	712.80
	732420 - CWIP EE Exp Milage	13,218.26
	732430 - CWIP EE Exp Hotel	683.65

	732435 - CWIP EE Exp Meals-EE's	1,211.16
	732440 - CWIP EE Exp Meals Incl Non-E	38.41
11236475 - TOL2C-Purchase Sootblower Comp Total		383,956.13
11305867 - Structures & Improvement	731500 - CWIP Contract Labor	2,689.75
	732420 - CWIP EE Exp Milage	135.00
	732435 - CWIP EE Exp Meals-EE's	6.63
11305867 - Structures & Improvements Jones Total		2,831.38
11305892 - Generator Units Jones Re	730390 - CWIP Productive Labor	683.03
	730400 - CWIP Loading-NonProductive	109.55
	730500 - CWIP Loading-Pension & 401K	135.33
	730600 - CWIP Loading-Insurance	134.10
	730700 - CWIP Loading-Taxes	60.82
	731050 - CWIP Inj & Dam Loading	2.30
	731060 - CWIP Incentive Loading	40.52
11305892 - Generator Units Jones Repower Total		1,165.65
11363305 - HAR1C-Rpl ESP & Outlet	730390 - CWIP Productive Labor	29,356.75
	730400 - CWIP Loading-NonProductive	4,589.11
	730500 - CWIP Loading-Pension & 401K	4,584.42
	730600 - CWIP Loading-Insurance	5,485.29
	730700 - CWIP Loading-Taxes	2,730.78
	731050 - CWIP Inj & Dam Loading	133.96
	731060 - CWIP Incentive Loading	5,263.05
	732405 - CWIP EE Exp Airfare	817.30
	732410 - CWIP EE Exp Car Rental	136.20
	732420 - CWIP EE Exp Milage	771.00
	732430 - CWIP EE Exp Hotel	223.60
	732435 - CWIP EE Exp Meals-EE's	496.13
	732445 - CWIP EE Exp Parking	13.05
11363305 - HAR1C-Rpl ESP & Outlet Ducts Total		54,600.64
11363846 - TOL2C-Tolk 2 Generator R	730390 - CWIP Productive Labor	25,194.53
	730400 - CWIP Loading-NonProductive	4,329.71
	730500 - CWIP Loading-Pension & 401K	3,678.12
	730600 - CWIP Loading-Insurance	2,158.78
	730700 - CWIP Loading-Taxes	2,319.54
	731050 - CWIP Inj & Dam Loading	73.66
	731060 - CWIP Incentive Loading	3,727.68
	732420 - CWIP EE Exp Milage	8,885.80
	732430 - CWIP EE Exp Hotel	352.32
	732435 - CWIP EE Exp Meals-EE's	806.41
11363846 - TOL2C-Tolk 2 Generator Rewind Total		51,526.55
11368880 - TOL1C - Repl Economizer	730390 - CWIP Productive Labor	26,460.97
	730400 - CWIP Loading-NonProductive	4,758.63
	730500 - CWIP Loading-Pension & 401K	4,900.67
	730600 - CWIP Loading-Insurance	3,502.91
	730700 - CWIP Loading-Taxes	3,238.35
	731050 - CWIP Inj & Dam Loading	74.59

	731060 - CWIP Incentive Loading	4,886.43
	732420 - CWIP EE Exp Milage	3,027.87
	732430 - CWIP EE Exp Hotel	355.59
	732435 - CWIP EE Exp Meals-EE's	409.94
11368880 - TOL1C - Repl Economizer Tubes	Total	51,615.95
11544694 - TOL1C-Install NOX Reduc	730390 - CWIP Productive Labor	46,605.05
	730400 - CWIP Loading-NonProductive	7,570.71
	730500 - CWIP Loading-Pension & 401K	9,147.47
	730600 - CWIP Loading-Insurance	7,338.09
	730700 - CWIP Loading-Taxes	5,184.11
	731050 - CWIP Inj & Dam Loading	149.87
	731060 - CWIP Incentive Loading	7,692.75
	731850 - CWIP Material-Sm Cap Purchas	96.45
	732420 - CWIP EE Exp Milage	3,855.14
	732435 - CWIP EE Exp Meals-EE's	249.77
11544694 - TOL1C-Install NOX Reduction	Total	87,889.41
Grand Total		1,919,233.60

Public Service Company of Colorado
2010 JOA Detail

		PSCo JOA Calculation				
	Proprietary Margin per GL	Adjustments/True: Total Proprietary to Allocate			Combined SPS/NSP	
		Ups	PSC Share	SPS Share	NSP M/W Share	
2009 Peak %			32.5%	26.3%	41.2%	67.5%
2010 Peak %			30.9%	26.9%	42.2%	69.1%
Prior Year	\$	\$ (6,740.00)	\$ (2,187.80)	\$ (1,773.06)	\$ (2,779.14)	\$ 4,552.20
Jan-10	761,666.00	-	235,630.32	204,974.34	321,061.34	(526,035.68)
Feb-10	(1,296,811.00)	-	(401,183.71)	(348,988.89)	(546,638.39)	895,627.29
Mar-10	(275,907.00)	-	(85,355.07)	(74,250.20)	(116,301.73)	190,551.93
Apr-10	(505,545.00)	-	(156,396.28)	(136,048.81)	(213,099.91)	349,148.72
May-10	203,663.00	-	63,005.54	54,808.39	85,849.07	(140,657.46)
Jun-10	(239,165.00)	-	(73,988.50)	(64,362.45)	(100,814.05)	165,176.50
Jul-10	(1,547,906.00)	-	(478,862.90)	(416,561.86)	(652,481.24)	1,069,043.10
Aug-10	(827,716.00)	-	(256,063.67)	(222,749.26)	(348,903.07)	571,652.33
Sep-10	429,969.00	-	133,015.96	115,710.31	181,242.73	(296,953.04)
Oct-10	(944,973.00)	-	(292,338.50)	(254,304.66)	(398,329.84)	652,634.50
Nov-10	180,425.00	-	55,816.59	48,554.74	76,053.67	(124,608.41)
Dec-10	258,357.00	-	79,925.77	69,527.27	108,903.96	(178,431.23)
YTD Total	\$ (3,803,943.00)	\$ (6,740.00)	\$ (1,178,982.24)	\$ (1,025,464.14)	\$ (1,606,236.62)	\$ 2,631,700.76

2010 JDE Detail \$ (3,810,683.00)
check \$

Maximum Peak for 2009
for 2010 Peak %

	PSC M/W	SPS M/W	NSP M/W	Total M/W
July 14, 2009 (Hour 17)	6,272	5,456	8,546	
July 14, 2009 (Hour 17)				
June 23, 2009 (Hour 14)	6,272	5,456	8,546	20,274
Peak Percentage for JOA	30.9%	26.9%	42.2%	100.0%

Maximum Peak for 2008
for 2009 Peak %

	PSC M/W	SPS M/W	NSP M/W	Total M/W
August 1, 2008 (Hour 16)	6,789	5,502	8,624	
August 5, 2008 (Hour 17)				
July 29, 2008 (Hour 14)	6,789	5,502	8,624	20,915
Peak Percentage for JOA	32.5%	26.3%	41.2%	100.0%

Public Service Company of Colorado
2011 JOA Detail

PSCo JOA Calculation									
2010 Peak % 2011 Peak %	Proprietary Margin per GL	Adjustments/ Ups	True- Allocate	PSC Share	SPS Share	NSP M/W Share	Combined SPS/NSP		
Prior Year	\$	\$	1,020.00	\$	315.55	\$	274.50	\$	429.96
Jan-11	(365,457.00)	-	(365,457.00)	(110,600.65)	(96,615.27)	(158,241.08)			254,856.35
Feb-11	579,957.00	-	579,957.00	175,516.20	153,322.28	251,118.52			(404,440.80)
Mar-11	122,775.00	-	122,775.00	37,156.20	32,457.83	53,160.97			(85,618.80)
Apr-11	142,004.00	-	142,004.00	42,975.60	37,541.36	61,487.03			(99,028.40)
May-11	1,167,981.00	-	1,167,981.00	353,473.76	308,777.22	505,730.01			(814,507.24)
Jun-11	(243,811.00)	-	(243,811.00)	(73,786.12)	(64,455.91)	(105,568.96)			170,024.88
Jul-11	(146,286.00)	-	(146,286.00)	(44,271.49)	(38,673.39)	(63,341.12)			102,014.51
Aug-11	(54,636.00)	-	(54,636.00)	(16,534.85)	(14,444.03)	(23,657.12)			38,101.15
Sep-11	(276,832.00)	-	(276,832.00)	(83,779.49)	(73,185.62)	(119,866.89)			193,052.51
Oct-11	(61,733.00)	-	(61,733.00)	(18,682.66)	(16,320.25)	(26,730.08)			43,050.34
Nov-11	342,673.00	-	342,673.00	103,705.38	90,591.90	148,375.72			(238,967.62)
Dec-11	430,670.00	-	430,670.00	130,336.49	113,855.52	186,477.99			(300,333.51)
YTD Total	\$	\$	1,638,325.00	\$	495,823.92	\$	433,126.13	\$	709,374.95
									(1,142,501.08)

2011 JOE Detail
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Maximum Peak for 2010
for 2011 Peak %

June 7, 2010 (Hour 18)	PSC M/W	6,382	SPS M/W	5,575	NSP M/W	9,131	Total M/W	21,088
August 4, 2010 (Hour 17)								
August 9, 2010 (Hour 17)								
Peak Percentage for JOA	30.3%	26.4%	43.3%	100.0%				

Maximum Peak for 2009
for 2010 Peak %

July 14, 2009 (Hour 17)	PSC M/W	6,272	SPS M/W	5,456	NSP M/W	8,546	Total M/W	20,274
July 14, 2009 (Hour 17)								
June 23, 2009 (Hour 14)								
Peak Percentage for JOA	30.9%	26.9%	42.2%	100.0%				

Public Service Company of Colorado
2012 JOA Detail

PSCo JOA Calculation							
	Proprietary Margin per GL	Adjustments/ True- Total		PSC Share	SPS Share	NSP M/W Share	Combined SPS/NSP
		Ups	Proprietary to Allocate				
2011 Peak %				30.3%	26.4%	43.3%	69.7%
2012 Peak %				30.7%	26.6%	42.7%	69.3%
Prior Year	\$	\$	(1,236.00)	\$	(374.06)	\$	(535.18)
Jan-12	444,317.00	-	444,317.00	136,589.06	118,002.13	189,725.80	(307,727.94)
Feb-12	646,618.00	-	646,618.00	198,779.13	171,729.43	276,109.44	(447,838.87)
Mar-12	(119,299.00)	-	(119,299.00)	(36,674.13)	(31,683.54)	(50,941.33)	82,624.87
Apr-12	(96,373.00)	-	(96,373.00)	(29,626.36)	(25,594.83)	(41,151.80)	66,746.64
May-12	82,694.00	-	82,694.00	25,421.26	21,961.95	35,310.79	(57,272.74)
Jun-12	524,745.00	-	524,745.00	161,313.72	139,362.28	224,069.00	(363,431.28)
YTD Total	\$ 1,482,702.00	\$ (1,236.00)	\$ 1,481,466.00	\$ 455,428.61	\$ 393,450.66	\$ 632,586.73	\$ (1,026,037.39)

2012 JOE Detail \$ 1,481,466.00
check \$

Maximum Peak for 2011
for 2012 Peak %

	PSC M/W	SPS M/W	NSP M/W	Total M/W
July 8, 2011 (Hour 17)	6,871			
August 2, 2011 (Hour 17)		5,936		
July 20, 2011 (Hour 17)			9,544	
Peak Percentage for JOA	6,871	5,936	9,544	22,351
	30.7%	26.6%	42.7%	100.0%

Maximum Peak for 2010
for 2011 Peak %

	PSC M/W	SPS M/W	NSP M/W	Total M/W
June 7, 2010 (Hour 18)	6,382			
August 4, 2010 (Hour 17)		5,575		
August 9, 2010 (Hour 17)			9,131	
Peak Percentage for JOA	6,382	5,575	9,131	21,088
	30.3%	26.4%	43.3%	100.0%

Northern States Power Company
2010 JOA Detail

NSP JOA CALCULATION									
	Proprietary Margin	PV/IPM Adjustments/True Ups	Total Proprietary to Allocate (Debit = Revenue, Credit = Expense)		PSC Share	SPS Share	NSP M/W Share	Combined PSC/SPS	
2009 Peak %					32.5%	28.3%	41.2%	58.8%	
2010 Peak %					30.9%	26.9%	42.2%	57.8%	
Jan-10	\$ 1,322,902.00	\$ (28,034.00)	\$ 1,294,868.00	\$	400,582.62	\$ 348,466.01	\$ 545,819.37	\$ (749,048.63)	
Feb-10	(598,389.00)	(111,185.00)	(709,574.00)		(219,515.05)	(190,955.69)	(299,103.26)	410,470.74	
Mar-10	663,100.00	56,300.00	719,400.00		222,554.84	193,600.00	303,245.16	(416,154.84)	
Apr-10	227,593.00	(19,782.00)	207,811.00		64,288.77	55,924.67	87,597.55	(120,213.45)	
May-10	1,061,030.00	(43,854.00)	1,017,176.00		314,675.34	273,735.44	428,765.22	(588,410.78)	
Jun-10	820,045.00	(11,205.00)	808,840.00		250,224.15	217,669.48	340,946.37	(467,893.63)	
Jul-10	1,210,664.00	(8,741.00)	1,201,923.00		371,829.00	323,463.28	506,640.72	(695,282.28)	
Aug-10	1,386,291.00	(50,128.00)	1,336,163.00		413,357.72	359,579.03	563,226.25	(772,936.75)	
Sep-10	1,698,264.00	11,976.00	1,710,240.00		529,082.83	460,248.07	720,909.10	(989,330.90)	
Oct-10	(4,812.00)	(6,833.00)	(11,645.00)		(3,602.52)	(3,133.82)	(4,908.66)	6,736.34	
Nov-10	568,274.00	(36,222.00)	532,052.00		164,596.53	143,182.19	224,273.28	(307,778.72)	
Dec-10	61,144.00	89,755.00	150,899.00		46,682.38	40,608.91	63,607.72	(87,291.28)	
YTD Total	\$ 8,416,106.00	\$ (157,953.00)	\$ 8,258,153.00	\$	2,554,756.62	\$ 2,224,377.57	\$ 3,481,018.82	\$ (4,777,134.18)	

Maximum Peak for 2009
for 2010 Peak %

	PSC MWH	SPS MWH	NSP M/W MWH	Total MWH
July 14, 2009 (Hour 17)	6,272	5,456	8,546	
July 14, 2009 (Hour 17)	6,272	5,456	8,546	20,274
June 23, 2009 (Hour 14)	30.9%	26.9%	42.2%	100.0%
Peak Percentage for JOA				

Maximum Peak for 2008
for 2009 Peak %

	PSC MWH	SPS MWH	NSP M/W MWH	Total MWH
August 1, 2008 (Hour 16)	6,789	5,502	8,624	
August 5, 2008 (Hour 17)	6,789	5,502	8,624	20,915
July 29, 2008 (Hour 14)	32.5%	26.3%	41.2%	100.0%
Peak Percentage for JOA				

Northern States Power Company
2011 JOA Detail

NSP JOA CALCULATION									
	Proprietary Margin	P/PM Adjustments/True Ups	Total Proprietary to Allocate (Debit = Revenue, Credit = Expense)	PSC Share	PSC Adjustments/ True-Ups	SPS Share	SPS Adjustments/ True-Ups	NSP M/W Share	Combined PSC/SPS
2010 Peak %				30.9%		26.9%		42.2%	57.8%
2011 Peak %				30.3%		26.4%		43.3%	56.7%
Jan-11	\$ 604,799.00	\$ 71,465.00	\$ 676,264.00	\$ 205,142.83	\$ -	\$ 179,121.89	\$ -	\$ 291,999.28	\$ (384,264.72)
Feb-11	1,917,996.00	3,066.00	1,921,062.00	581,383.62	(615,428.50)	507,868.01	(537,365.67)	831,810.37	63,542.54
Mar-11	86,230.00	(1,511.00)	84,719.00	25,639.07	205,142.84	22,397.02	179,121.89	36,682.91	(432,300.82)
Apr-11	755,550.00	(23,881.00)	731,669.00	221,429.80	-	193,430.13	-	316,809.07	(414,859.93)
May-11	3,440,605.00	(56,822.00)	3,383,783.00	1,024,056.48	-	894,565.17	-	1,465,161.35	(1,918,621.65)
Jun-11	483,233.00	(219,922.00)	263,311.00	79,687.54	-	69,611.10	-	114,012.36	(149,298.64)
Jul-11	(278,867.00)	(319,863.00)	(598,730.00)	(181,197.59)	-	(158,285.27)	-	(259,247.14)	339,482.86
Aug-11	1,182,078.00	(21,061.00)	1,161,017.00	351,366.20	-	306,936.16	-	502,714.64	(658,302.36)
Sep-11	1,869,226.00	(2,795.00)	1,866,431.00	564,850.28	-	493,425.30	-	808,155.42	(1,058,275.58)
Oct-11	661,908.00	(32,990.00)	628,918.00	190,333.59	-	166,266.02	-	272,318.39	(356,599.61)
Nov-11	56,518.00	(26,033.00)	30,485.00	9,225.88	-	8,069.27	-	13,199.85	(17,285.15)
Dec-11	182,013.00	55,473.00	237,486.00	71,871.95	-	62,783.78	-	102,830.27	(134,655.73)
YTD Total	\$ 10,961,289.00	\$ (574,874.00)	\$ 10,386,415.00	\$ 3,143,789.63	\$ (410,285.65)	\$ 2,746,178.60	\$ (358,243.79)	\$ 4,496,446.77	\$ (5,121,438.79)

Maximum Peak for 2010
for 2011 Peak %

	PSC MWH	SPS MWH	NSP M/W MWH	Total MWH
June 7, 2010 (Hour 18)	6,382	5,575		
August 4, 2010 (Hour 17)			9,131	
August 9, 2010 (Hour 17)	6,382	5,575	9,131	21,088
Peak Percentage for JOA	30.3%	26.4%	43.3%	100.0%

Maximum Peak for 2009
for 2010 Peak %

	PSC MWH	SPS MWH	NSP M/W MWH	Total MWH
July 14, 2009 (Hour 17)		5,456	8,546	
July 14, 2009 (Hour 17)	6,272	5,456	8,546	20,274
June 23, 2009 (Hour 14)				
Peak Percentage for JOA	30.9%	26.9%	42.2%	100.0%

Northern States Power Company
2012 JOA Detail

NSP JOA CALCULATION							
	Proprietary Margin	PY/PM Adjustments/True Ups	Total Proprietary to Allocate (Debit = Revenue, Credit = Expense)	PSC Share	SPS Share	NSP M/W Share	Combined PSC/SPS
2011 Peak %				30.3%	26.4%	43.3%	56.7%
2012 Peak %				30.7%	26.5%	42.7%	57.3%
Jan-12	\$ (317,947.00)	\$ 90,279.00	\$ (227,668.00)	\$ (69,988.23)	\$ (60,464.29)	\$ (97,215.49)	\$ 130,452.51
Feb-12	(148,888.00)	34,935.00	(113,953.00)	(35,030.69)	(30,263.75)	(48,658.56)	65,294.44
Mar-12	2,634,560.00	(2,503.00)	2,632,057.00	809,129.96	699,024.22	1,123,902.82	(1,508,154.18)
Apr-12	1,211,783.00	144,342.00	1,356,125.00	416,891.18	360,160.98	579,072.84	(777,052.16)
May-12	1,488,519.00	(67,887.00)	1,420,632.00	436,721.51	377,292.81	606,617.68	(814,014.32)
Jun-12	(381,762.00)	(96,711.00)	(478,473.00)	(147,089.08)	(127,073.32)	(204,310.60)	274,162.40
YTD Total	\$ 4,486,265.00	\$ 102,455.00	\$ 4,588,720.00	\$ 1,410,634.65	\$ 1,218,676.66	\$ 1,959,408.69	\$ (2,629,311.31)

Maximum Peak for 2011
for 2012 Peak %

	PSC MWH	SPS MWH	NSP M/W MWH	Total MWH
July 8, 2011 (Hour 17)	6,871	5,936	9,544	
August 2, 2011 (Hour 17)	6,871	5,936	9,544	22,351
July 20, 2011 (Hour 17)	30.7%	26.6%	42.7%	100.0%
Peak Percentage for JOA				

Maximum Peak for 2010
for 2011 Peak %

	PSC MWH	SPS MWH	NSP M/W MWH	Total MWH
June 7, 2010 (Hour 18)	6,382	5,575	9,131	
August 4, 2010 (Hour 17)	6,382	5,575	9,131	21,088
August 9, 2010 (Hour 17)	30.3%	26.4%	43.3%	100.0%
Peak Percentage for JOA				

Southwestern Public Service Company
2010 JOA Detail

PSCo JOA Calculation									
2009 Peak % 2010 Peak %	Proprietary Margin per GL	Adjustments/ Ups	True- Allocate	Total Proprietary to					
				PSC Share	SPS Share	NSP M/W Share	Combined PSC/NSP		
Jan-10	\$ (48.00)	\$ -	\$ (48.00)	32.5%	26.3%	41.2%	67.5%		
Feb-10	(303.00)	-	(303.00)	(93.74)	(81.54)	(127.72)	(221.46)		
Mar-10	(402.00)	-	(402.00)	(124.36)	(108.18)	(169.45)	(293.82)		
Apr-10	(12.00)	-	(12.00)	(3.71)	(3.23)	(5.06)	(8.77)		
May-10	48.00	-	48.00	14.85	12.92	20.23	35.08		
May-10	303.00	-	303.00	93.74	81.54	127.72	221.46		
May-10	402.00	-	402.00	124.36	108.18	169.45	293.82		
May-10	12.00	-	12.00	3.71	3.23	5.06	8.77		
Jun-10	-	-	-	-	-	-	-		
Jul-10	-	-	-	-	-	-	-		
Aug-10	-	-	-	-	-	-	-		
Sep-10	-	-	-	-	-	-	-		
Oct-10	-	-	-	-	-	-	-		
Nov-10	-	-	-	-	-	-	-		
Dec-10	-	-	-	-	-	-	-		
YTD Total	\$ -	\$ -	\$ -	(0.00)	0.00	(0.00)	0.00		

December Reversal*
January Reversal*
February Reversal*
March Reversal*

*Broker fees related to Gen Book activity inadvertently recorded to the Prop Book. A journal entry was recorded in May 2010 to reclass these broker fees to their proper account.

Maximum Peak for 2009 for 2010 Peak %				
PSC MWH	SPS MWH	NSP M/W MWH	Total MWH	
6,272	5,456	8,546		
6,272	5,456	8,546	20,274	
30.9%	26.9%	42.2%	100.0%	
Peak Percentage for JOA				
Maximum Peak for 2008 for 2009 Peak %				
PSC MWH	SPS MWH	NSP M/W MWH	Total MWH	
6,789	5,502	8,624		
6,789	5,502	8,624	20,915	
32.5%	26.3%	41.2%	100.0%	
Peak Percentage for JOA				

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER11-4671-000

November 23, 2011

Wright & Talisman, PC
Suite 600
1200 G. Street, N.W.
Washington, DC 20005-3802

Attention: Tyler R. Brown,
Attorney for Southwest Power Pool, Inc.

Reference: Tariff Revisions for Annual Formula Rate Updates

Dear Mr. Brown:

On September 28, 2011, you filed on behalf of Southwest Power Pool, Inc. (SPP), tariff revisions to the SPP open access transmission tariff to implement annual updates based on the AEP Companies'¹ transmission cost of service formula rates on file. Pursuant to authority delegated to the Director, Division of Electric Power Regulation - Central, under 18 C.F.R. § 375.307, the submittal is accepted for filing effective July 1, 2011, as requested.

Notice of the filing was published in the Federal Register with interventions or protests due on or before October 19, 2011. No adverse comments or protests were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

¹ The AEP Companies include Public Service Company of Oklahoma (PSO), Southwestern Electric Power Company (SWEPCO), AEP Southwestern Transmission Company, Inc., and AEP Oklahoma Transmission Company, Inc.

Docket No. ER11-4671-000

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This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of the issuance of this order, pursuant to 18 C.F.R. § 385.713

Sincerely,

Penny S. Murrell, Director
Division of Electric Power
Regulation - Central

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Southwest Power Pool, Inc.
ER11-4053-000

September 8, 2011

Wright & Talisman, P.C.
1200 G Street, NW, Suite 600
Washington, D.C. 20005

Attention: Tyler R. Brown,
Attorney

Reference: Tariff Revisions to Formula Rate Template in Attachment H

Dear Mr. Brown:

On July 14, 2011, you filed on behalf of the Southwest Power Pool, Inc. (SPP) revisions to SPP's Open Access Transmission Tariff (OATT) to reflect changes to the formula rate template in Attachment H of the OATT for the Southwestern Public Service Company (SPS). These OATT revisions convert the calculation of the base plan upgrade component of the SPS annual transmission revenue requirement from a historical basis to a projected basis and correct an allocator used in the formula rate template. Pursuant to authority delegated to the Director, Division of Electric Power Regulation - Central, under 18 C.F.R. § 375.307, the submittal in the above referenced docket is accepted for filing. As requested, the effective date for the correction of the allocator in the formula rate template is May 15, 2011, and the effective date for the remainder of the revisions is July 5, 2011.

Notice of the filing was published in the Federal Register with interventions or protests due on or before August 4, 2011. No adverse comments or protests were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action does not constitute approval of any service, rate, charge, classification,

Docket No. ER11-4053-000

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or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of the issuance of this order, pursuant to 18 C.F.R. § 385.713

Sincerely,

Penny S. Murrell, Director
Division of Electric Power
Regulation - Central

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer to:
Southwest Power Pool, Inc.
Docket No. ER12-25-000

November 29, 2011

Wright & Talisman, P.C.
Attention: Tyler R. Brown, Esquire
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005

Reference: Annual Transmission Formula Rate Updates

Dear Mr. Brown:

On October 5, 2011, you submitted on behalf of Southwest Power Pool, Inc. (SPP), revisions to SPP Open Access Transmission Tariff to implement annual transmission formula rate updates for Grand River Dam Authority, Lincoln Electric System, and Omaha Public Power District, which are transmission owners and pricing zones in the SPP region. Pursuant to authority delegated to the Director, Division of Electric Power Regulation - Central, under 18 C.F.R. § 375.307, the submittal in the above referenced docket is accepted for filing effective August 1, 2011, as requested.

Notice of the filing was issued with comments, protests, or interventions due on or before October 26, 2011. Under 18 C.F.R. § 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. § 385.214, the filing of a timely motion to intervene makes the movant a party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding. No adverse comments were filed.

Docket No. ER12-25-000

2

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Penny S. Murrell, Director
Division of Electric Power
Regulation – Central

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER12-28-000

November 21, 2011

Tyler R. Brown, Esquire
Attorney for Southwest Power Pool, Inc.
Wright & Talisman, P.C.
1200 G Street, NW, Suite 600
Washington, D.C. 20005

Reference: Annual Formula Rate Updates

Dear Mr. Brown:

On October 5, 2011, on behalf of Southwest Power Pool, Inc. (SPP), you submitted revisions to SPP's open access transmission tariff to incorporate the annual transmission service rate updates for Midwest Energy, Inc.. Pursuant to authority delegated to the Director, Division of Electric Power Regulation - Central, under 18 C.F.R. § 375.307, the revisions are accepted effective September 1, 2011, as requested.

Notice of the filing was issued on October 6, 2011 with interventions and comments due on or before October 26, 2011. Under 18 C.F.R. § 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. § 385.214, the filing of a timely motion to intervene makes the movant party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding. None were filed.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

Docket No. ER12-28-000

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This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Penny S. Murrell, Director
Division of Electric Power
Regulation - Central

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER12-74-000

December 5, 2011

Wright & Talisman, P.C.
Attention: Tyler R. Brown, Esquire
1200 G Street, NW
Suite 600
Washington, DC 20005-3802

Reference: Revisions to Open Access Transmission Tariff

Dear Mr. Brown:

On October 13, 2011, you submitted for filing on behalf of Southwest Power Pool, Inc. (SPP) revisions to SPP's open access transmission tariff to incorporate a formulaic process for updating the annual transmission revenue requirements and the point-to-point transmission service charges for the various SPP transmission owners that have adopted transmission formula rates and protocols. You also submitted various ministerial revisions. Pursuant to authority delegated to the Director, Division of Electric Power Regulation – Central under 18 C.F.R. § 375.307, your submittal in the above referenced docket is accepted for filing to become effective December 13, 2011.

Notice of the filing was issued on October 14, 2011, with comments, protests, or interventions due on or before November 3, 2011. No protests or adverse comments were filed. Under 18 C.F.R. § 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. § 385.214, the filing of a timely motion to intervene makes the movant a party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made

Docket No. ER12-74-000

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by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Penny S. Murrell, Director
Division of Electric Power
Regulation-Central

cc: Public File
All Parties

137 FERC ¶ 61,197
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
and Cheryl A. LaFleur.

Southwest Power Pool, Inc.

Docket No. ER12-140-000

ORDER ACCEPTING AND SUSPENDING FORMULA RATE, SUBJECT TO
REFUND, AND ESTABLISHING HEARING AND SETTLEMENT PROCEDURES

(Issued December 15, 2011)

1. On October 20, 2011, Southwest Power Pool, Inc. (SPP), at the request of Kansas Power Pool (KPP), submitted pursuant to section 205 of the Federal Power Act (FPA),¹ revised tariff sheets to the SPP open access transmission tariff (OATT) to establish a formula rate for determining KPP's annual transmission revenue requirement (ATRR).² In this order, we accept the revised tariff sheets for filing, suspend them for a nominal period, to become effective December 20, 2011, subject to refund and establish hearing and settlement judge procedures.

I. Background

2. The SPP OATT contains zonal rates and allows each transmission-owning member to make filings to maintain a current revenue requirement. The ATRR for each pricing zone is reflected in Attachment H (Annual Transmission Revenue Requirement for Network Integration Transmission Service) of the SPP OATT. The rates for point-to-point transmission service, based on the ATRR in Attachment H are stated in Attachment T (Rate Sheets for Point-To-Point Transmission Service) of the SPP OATT.

3. KPP is a municipal energy agency, authorized by Kansas statutes and created by and for its members. KPP currently has 41 members, and provides power services to 34 municipal utilities in Kansas with a total load of approximately 368 MW.

¹ 16 U.S.C. § 824d (2006).

² SPP states that it is "merely modifying its [t]ariff to accommodate KPP's formula rate proposal and does not independently support or justify KPP's proposed changes." SPP Filing at 4.

Docket No. ER12-140-000

- 2 -

4. On January 3, 2011, the City of Winfield (Winfield), a member city of KPP, adopted a resolution to transfer functional control of 35.35 miles of 69 kV transmission lines and associated substation facilities to KPP. The facilities are located in the Westar Energy Inc.'s (Westar) pricing zone within the SPP footprint. On March 17, 2011, KPP applied to SPP to become a transmission-owning member, and identified the transmission facilities and substation equipment that it proposed to transfer to SPP's functional control under the SPP OATT. KPP stated in its application to SPP that the overhead transmission lines and associated substation equipment and breakers met the definition of transmission facilities under Attachment AI (Transmission Definition) of the SPP OATT. In response to KPP's application, SPP extended a membership agreement to KPP, which KPP signed on March 18, 2011.

II. Filing

5. KPP proposes revised tariff sheets to add Addendum 16 to Attachment H of the SPP OATT, and includes the KPP formula rate template and protocols to recover the ATRR for the 69 kV transmission facilities owned by Winfield. Specifically, KPP proposes revised tariff sheets to Attachment H for network integration transmission service that reflect changes to the Westar zonal ATRR. Additionally, KPP proposes revised tariff sheets to Attachment T, which incorporate KPP's ATRR into the point-to-point transmission service within the Westar zone. KPP supports the proposed revenue requirement with direct testimony explaining various aspects of the filing relating to the development of the revenue requirement for the 69 kV transmission facilities owned by Winfield.³ KPP also proposes that the formula rate template will serve to recover revenue requirements of other transmission assets owned by KPP members and/or to recover revenue requirements associated with future transmission assets owned by KPP.

6. KPP's proposed protocols provide that the annual transmission revenue requirement and rates calculated pursuant to the formula rate template shall be revised annually, to be effective from August 1 of such year through July 31 of the following year. KPP proposes to post the results of annual calculations used to develop the annual transmission revenue requirement and rates used pursuant to the formula rate template in a publicly accessible location on SPP's website by May 15 of the calendar year. KPP proposes that written comments will be accepted until June 15 of the calendar year and that, upon request, KPP will make available supporting data for completion of the formula rate template. KPP states that initial rates calculated from the formula rate template for incorporation into the SPP OATT would be in effect through July 31, 2012.

³ SPP Filing, Exhibit K-1, Testimony of Mr. Paul Reising at 2 (Reising Testimony).

Docket No. ER12-140-000

- 3 -

7. On KPP's behalf, SPP requests waiver of the Commission's 60-day notice requirement to permit an effective date of December 1, 2011 for the proposed OATT revisions. SPP explains that the December 1, 2011 effective date will aid administrative efficiency by placing KPP on the same settlement timeline as other transmission owners for the December billing cycle, thus avoiding the need to make different mid-month calculations for KPP in the December billing cycle.

III. Notice of Filing and Responsive Pleadings

8. Notice of SPP's Filing was published in the *Federal Register*, 76 Fed.Reg. 67,166 (2011), with interventions and protests due on or before November 10, 2011. Kansas Power Pool filed a motion to intervene with supporting comments. Timely motions to intervene and protests were filed by Sunflower Electric Power Corporation and Mid-Kansas Electric Power Company, LLC (together, Sunflower) and Westar Energy and Kansas Gas and Electric Company (together, Westar). The Kansas Corporation Commission (Kansas Commission) filed a notice of intervention and protest. On November 23, 2011, KPP filed a motion for leave to file an answer, and an answer to the protests.

9. Protestors raise a number of issues related to SPP's Filing on behalf of KPP. For example, Westar states that KPP has not provided sufficient evidence to support its development of initial costs to be included in the formula or the accuracy of the inputs into the calculations done by KPP's consultants. Westar claims that its records indicate that the tie line from the Tie Sub to Westar Interconnection B is only three to four miles long, whereas KPP states that this line is nine miles long.⁴ Similarly, Westar contends that KPP's own witness testifies that data were not available to determine exact costs attributable to the Winfield 69 kV transmission facilities that are the subject of this filing.⁵ Sunflower argues that KPP (1) has shown no support for the actual cost of the facilities that KPP proposes to place in the SPP rates; (2) has double counted the number of circuit breakers in the substation; and (3) improperly uses the costs of a different utility (Westar) rather than establishing the costs actually incurred for providing service.⁶ Sunflower also questions whether the Winfield transmission facilities are appropriately included in the SPP system under Attachment AI and whether KPP has demonstrated

⁴ Westar Protest at 4.

⁵ *Id.* at 3.

⁶ Sunflower Protest at 5.

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adequate control of the facilities. Sunflower requests that the Commission find the filing deficient and reject it or set the matter for hearing.⁷

10. While it does not challenge the Commission's jurisdiction over SPP, the Kansas Commission contends that it is the regulatory body vested with jurisdiction and responsibility under Kansas statutes to regulate retail sale of electricity and natural gas in Kansas. Thus, the Kansas Commission argues that KPP ought to have filed the proposed rates for its approval before filing the proposed tariff revisions with the Commission. The Kansas Commission opposes SPP's Filing as an attempt to improperly circumvent the Kansas Commission's jurisdiction and authority over KPP.⁸ Sunflower also argues that SPP's Filing raises the issue of whether KPP is required to file with and obtain the approval of the Kansas Commission. Sunflower states that prior to approving any SPP rate, the Commission should require SPP to document why it isn't obligated to seek the Kansas Commission approval for the proposed rates.⁹

11. In its answer, KPP corrects and clarifies several issues related to the proposed OATT revisions. Specifically, KPP corrected the following items in its proposal: (1) the ATRR is updated using 2010 costs as inputs to the formula; (2) the filing is revised to remove the double counting of the circuit breakers in the substation; (3) the length of lines for the 69kV tie lines found on the Winfield One Line Diagram, Exhibit K-3 is revised for accuracy; and finally (4) the filing is revised to provide credit for the use of Federal Emergency Management Agency funding to rebuild distribution facilities less than 69 kV.¹⁰

12. KPP also argues in its answer that, while the Kansas Commission has jurisdiction over retail rates in Kansas, the Commission has exclusive jurisdiction over wholesale rates, such as the proposed rates by SPP in this proceeding.¹¹

⁷ *Id.* at 12-16.

⁸ Kansas Commission Protest at 3-4.

⁹ Sunflower Protest at 16.

¹⁰ KPP Answer at 2-5.

¹¹ *Id.* at 9-12.

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IV. Discussion**A. Procedure Matters**

13. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹² the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

14. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,¹³ prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We accept KPP's answer because it provides information that assisted us in our decision-making process.

B. Substantive Matters

15. We disagree with the Kansas Commission's contention that the instant filing is an attempt to circumvent the Kansas Commission's jurisdiction and authority over KPP. As a municipal agency, KPP is not a public utility within the meaning of section 201 of the FPA;¹⁴ hence, KPP is not within the Commission's jurisdiction under FPA section 205. However, the Commission does have jurisdiction under section 205 and 206 of the FPA over the rates for transmission service provided by SPP, a regional transmission organization (RTO) that is a public utility. Court decisions have made clear that when a non-jurisdictional transmission owner voluntarily joins an RTO and has its revenue requirement recovered as part of the RTO's rates, the Commission can examine the non-jurisdictional utility's revenue requirement to ensure that the RTO's rates will ultimately be just and reasonable.¹⁵ Thus, we find that, based on the court's rulings, it is appropriate to apply the just and reasonable standard of FPA section 205 to SPP's revisions to its OATT to implement KPP's proposed formula rate for transmission service, including KPP's revenue requirement in SPP's zonal rates. Accordingly, it is unnecessary to require SPP to document why it isn't obligated to seek Kansas Commission approval for the proposed rates, as Sunflower asserts. Our findings here are not intended to make any determination as to KPP's obligations, if any, under Kansas state law to make filings

¹² 18 C.F.R. § 385.214 (2011).

¹³ 18 C.F.R. § 385.213(a)(2) (2011).

¹⁴ 16 U.S.C. § 824(e) (2006).

¹⁵ See, e.g., *Pac. Gas & Elec. Co. v FERC*, 306 F.3d 1112, at 1116 (D.C. Cir. 2002). See also *City of Vernon, California*, Opinion No. 479, 111 FERC ¶ 61,092, at P 42-44, *order on reh'g*, Opinion No. 479-A, 112 FERC ¶ 61,207 (2005), *reh'g denied*, Opinion No. 479-B, 115 FERC ¶ 61,297 (2006).

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before the Kansas Commission. Our concern is focused on the justness and reasonableness of proposed wholesale rates under SPP's OATT. To determine the justness and reasonableness of these rates, we find that, as discussed below, hearing and settlement judge procedures are appropriate.

16. KPP's proposed revisions raise a number of issues of material fact that cannot be resolved based on the record before us, and are more appropriately addressed in the hearing and settlement procedures we will order in this proceeding. Our preliminary analysis indicates that KPP's proposed revisions have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, we will accept the proposed revisions for filing, suspend them for a nominal period to become effective December 20, 2011, subject to refund, and establish hearing and settlement judge procedures.

17. While we are setting these matters for a trial-type evidentiary hearing, we encourage the parties to make every effort to settle their disputes before hearing procedures are commenced. To aid the parties in their settlement efforts, we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603 of the Commission's Rules of Practice and Procedure.¹⁶ If the parties desire, they may, by mutual agreement, request a specific judge as the Settlement Judge in the proceeding; otherwise, the Chief Judge will select a judge for this purpose.¹⁷

18. The Settlement Judge shall report to the Chief Judge and the Commission within 30 days of the date of this order concerning the status of settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions or provide for commencement of a hearing by assigning the case to a presiding judge.

19. Finally, we will deny SPP's request for waiver of the Commission's notice requirements because SPP has not shown good cause.¹⁸

¹⁶ 18 C.F.R. § 385.603 (2011).

¹⁷ If the parties decide to request a specific judge, they must make their joint request to the Chief Judge by telephone at (202) 502-8500 within five days of this order. The Commission's website contains a list of Commission judges and a summary of their background and experience (www.ferc.gov – click on Office of Administrative Law Judges).

¹⁸ *Central Hudson Gas & Electric Corp. et al.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

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The Commission orders:

(A) SPP's Filing on behalf of KPP is hereby accepted for Filing, suspended for a nominal period, to become effective December 20, 2011, subject to refund and hearing, as discussed in the body of this order and the ordering paragraphs below.

(B) SPP's requested waiver of section 35.3 of the Commission's regulations is hereby denied, as discussed in the body of this order.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Commission by section 402(a) of the Department of Energy Organization Act and by the FPA, particularly sections 205 and 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the FPA (18 C.F.R. Chapter I), a public hearing shall be held concerning the justness and reasonableness of the proposed revisions. However, the hearing shall be held in abeyance to provide time for settlement judge procedures, as discussed in Paragraphs (D) – (F) below.

(D) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2011), the Chief Administrative Law Judge is hereby directed to appoint a Settlement Judge in this proceeding within fifteen (15) days of the date of this order. Such Settlement Judge shall have all the powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable after the Chief Judge designates the Settlement Judge. If the parties decide to request a specific judge, they must make their request to the Chief Judge in writing or by telephone within five (5) days of the date of this order.

(E) Within thirty (30) days of the date of this order, the Settlement Judge shall file a report with the Commission and the Chief Judge on the status of the settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the Settlement Judge shall file a report at least every sixty (60) days thereafter, informing the Commission and the Chief Judge of the parties' progress toward settlement.

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(F) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within fifteen (15) days of the date of the presiding judge's designation, convene a prehearing conference in this proceeding in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Southwest Power Pool, Inc.

Docket No. ER12-140-000

ORDER OF CHIEF JUDGE TERMINATING
SETTLEMENT JUDGE PROCEDURES

(Issued October 10, 2012)

1. On September 25, 2012, Settlement Judge Michael J. Cianci, Jr. certified an uncontested settlement to the Commission, 140 FERC ¶ 63,024, which resolves all issues in this proceeding.
2. Accordingly, there being no additional matters pending before the Office of Administrative Law Judges and subject to final action by the Commission, settlement judge procedures are hereby terminated. The hearing ordered by the Commission on December 15, 2011, 137 FERC ¶ 61,197, will not be necessary.

Curtis L. Wagner, Jr.
Chief Administrative Law Judge

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER12-277-000

December 14, 2011

Southwest Power Pool, Inc.
Attention: Matthew Harward, Attorney
415 North McKinley, #140 Plaza West
Little Rock, AR. 72205

Reference: Revised Tariff Sheet Increasing Rate Cap of Schedule 1-A Tariff
Administration Service Charge

Dear Mr. Harward:

On October 31, 2011, you filed on behalf of Southwest Power Pool, Inc. (SPP) revised tariff sheets increasing SPP's rate cap of Schedule 1-A Tariff Administration Service Charge from \$0.225/MWh to \$0.35/MWh. Pursuant to authority delegated to the Director, Division of Electric Power Regulation – Central, under 18 C.F.R. § 375.307, your submittal in the above referenced docket is accepted for filing effective January 1, 2012, as requested.

Notice of the filing was published in the Federal Register with interventions or protests due on or before November 21, 2011. No adverse comments or protests were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

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This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of the issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Penny S. Murrell, Director
Division of Electric Power
Regulation - Central

138 FERC ¶ 61,231
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
and Cheryl A. LaFleur.

Southwest Power Pool, Inc.

Docket No. ER12-959-000

ORDER ACCEPTING FORMULA RATE PROPOSAL AND
ESTABLISHING HEARING AND SETTLEMENT JUDGE PROCEDURES

(Issued March 30, 2012)

1. On February 1, 2012, as supplemented February 2, 2012, Southwest Power Pool, Inc. (SPP) filed, on behalf of Tri-County Electric Cooperative, Inc. (Tri-County), revisions to SPP's Open Access Transmission Tariff (Tariff) to implement Tri-County's formula rate for transmission service. As discussed below, we accept the tariff revisions, to be effective April 1, 2012, as requested, and establish hearing and settlement judge procedures.

I. SPP's Filing

2. SPP explains that, as a Regional Transmission Organization, it administers its Tariff on a regional basis for transmission facilities located within its boundaries. Tri-County transferred control of its transmission facilities to SPP and became a transmission-owning member in the Southwestern Public Service Company (SPS) zone within SPP, effective August 10, 2010.¹ SPP adds that while each transmission owner is responsible for filing rate changes for its zone, SPP is responsible for filings necessary to incorporate such rate changes into the SPP Tariff.² In this filing, SPP states that the proposed Tariff revisions include a new addendum, which constitutes Tri-County's

¹ SPP Transmittal Letter at 1-3. Tri-County is a not-for-profit distribution cooperative with headquarters in Hooker, Oklahoma serving approximately 23,000 customers in Oklahoma, Kansas, Texas, Colorado, and New Mexico. *Id.* at 3.

² *Id.* at 2.

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proposed formula rate.³ In addition, Tri-County sponsored testimony and exhibits to explain and identify the facilities it classifies as transmission facilities under the SPP Tariff.

3. SPP explains that the Tariff revisions are Tri-County's proposed formula rate and protocols in their entirety. The formula rate will be used to calculate the annual transmission revenue requirement and the resulting update to Attachment H for the Tri-County transmission facilities.⁴ SPP adds that it also submits revisions to Attachment T of the SPP Tariff to incorporate Tri-County's charges for point-to-point transmission service for the SPS pricing zone (SPP Zone 11).

II. Notice of Filing and Responsive Pleadings

4. Notice of SPP's filing was published in the *Federal Register*, 77 Fed. Reg. 6553 (2012), with interventions, protests, and comments due on or before February 22, 2012. Xcel Energy Services, Inc. (Xcel), New Mexico Cooperatives,⁵ Occidental Permian, Ltd. and Occidental Power Marketing, L.P. (Occidental), and Westar Energy, Inc. and Kansas Gas and Electric Company (together, Westar) filed timely motions to intervene and protest. On March 8, 2012, Tri-County filed a motion to intervene out of time and answer to the protests. On March 14, 2012, Occidental filed a motion to reject, or in the alternative, motion for leave to answer and answer. On March 16, 2012, New Mexico Cooperatives filed a motion for leave to answer and answer. On March 23, 2012, Xcel filed a motion to reject, or in the alternative, motion for leave to answer and answer.

5. Intervenor argue that Tri-County has not provided sufficient evidence that its facilities meet the requirements of "Transmission Facilities" as defined in Attachment AI of the SPP Tariff.⁶ Occidental argues that Attachment AI specifies which facilities constitute transmission facilities under SPP's Tariff⁷ and the Tri-County testimony and

³ *Id.* at 4.

⁴ *Id.* at 4.

⁵ The New Mexico Cooperatives consist of the following: Central Valley Electric Cooperative, Inc., Farmers' Electric Cooperative, Inc., Lea County Electric Cooperative, Inc., and Roosevelt County Electric Cooperative, Inc.

⁶ *See, e.g.*, Westar Protest at 3, Occidental Protest at 3, Xcel Protest at 2.

⁷ Section II.1 of Attachment AI defines transmission facilities to include: "[a]ll existing non-radial power lines, substations, and associated facilities, operated at 60 kV or above, plus all radial lines and associated facilities operated at or above 60 kV that serve two or more eligible customers not Affiliates of each other."

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exhibits do not demonstrate that the facilities Tri-County proposes to include in its revenue requirements are transmission facilities.⁸ Also, intervenors assert that Tri-County failed to provide additional information, including a one-line diagram or map, that clearly indicate system configurations with radial and non-radial lines, substations and associated facilities, and their relation to the SPS electrical system. Thus, Occidental argues that the Commission needs more information before it can properly evaluate Tri-County's proposed revenue requirement formula rate.⁹

6. Additionally, Westar states that, under Attachment AI, certain facilities are excluded as transmission facilities: (1) generator step-up transformers and generator leads; (2) radial lines from a generating station to a single substation or switching station on transmission system; and (3) direct assignment facilities. Xcel and Westar claim that the proposal includes Tri-County facilities that are radial lines serving Tri-County load only and, therefore, they should not be included in the SPP Zone 11 rate.¹⁰ New Mexico Cooperatives claim that Tri-County's testimony does not apply the proper test in determining which facilities, if any, qualify as transmission facilities under the SPP Tariff.¹¹ While Tri-County states that certain transmission facilities were classified as transmission facilities at the time they were purchased from Xcel in 2006, Xcel argues that this does not resolve the issue because those facilities had not been classified under Attachment AI prior to the 2006 sale. Thus, Xcel asserts that Tri-County is still required to comply with the requirements of Attachment AI of the SPP Tariff for those facilities regardless of any prior classification.¹²

7. Xcel also contends that the proposed Tri-County formula rate and Attachment H and T tariff sheets for the SPS pricing zone are not just and reasonable, and are likely to produce excessive charges by Tri-County to both network and point-to-point transmission service customers in the SPS pricing zone, and point-to-point transmission service customers throughout the SPP region.¹³

⁸ Occidental Protest at 4.

⁹ *Id.* at 6.

¹⁰ Xcel Protest at 9; Westar Protest at 4.

¹¹ New Mexico Cooperatives Comments at 8-15.

¹² Xcel Protest at 13.

¹³ Xcel Protest at 3.

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8. Intervenor argue that the formula rate template lacks transparency, documentation, and precision. Specifically, Xcel argues that because Tri-County is a non-jurisdictional utility, the Commission cannot be certain if Tri-County will record its costs in a manner contemplated by the Uniform System of Accounts. To mitigate this concern, Xcel suggests that the Commission direct Tri-County to incorporate the same procedures for its protocols that have been adopted by other non-jurisdictional participants with formula rates.¹⁴ Westar and KG&E argue that the proposed protocols are vague and do not provide an effective opportunity for review by affected customers or the ability to require corrections to the inputs and results if necessary.¹⁵ Occidental protests that the rate template and protocols are not sufficiently transparent and are not supported by the proper source documentation.¹⁶

9. To afford Tri-County the opportunity to modify its proposed revenue requirement to achieve just and reasonable rates, Westar, Xcel, and Occidental request that the Commission either reject the filing, issue a deficiency letter, or suspend the filing for the maximum five-month period and set it for hearing and settlement procedures.

III. Discussion

A. Procedural Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹⁷ the timely motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2011), the Commission will grant Tri-County's motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

11. Rule 213(a) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest unless otherwise ordered by the decisional authority.¹⁸ We are not persuaded to accept Tri-County, Occidental, New Mexico Cooperatives, or Xcel's answers, and will, therefore, reject them.

¹⁴ Xcel Protest at 16-17.

¹⁵ Westar Protest at 5.

¹⁶ Occidental Protest at 6.

¹⁷ 18 C.F.R. § 385.214 (2011).

¹⁸ *Id.* § 385.213(a)(2).

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B. Substantive Matters**1. Standard of Review**

12. The Commission has addressed the standard of review to be applied to petitions involving non-jurisdictional entities in an opinion reviewing the transmission revenue requirement filed by the City of Vernon, California (Vernon).¹⁹ In Opinion No. 479, the Commission recognized that, as a municipally-owned utility, Vernon was not subject to its FPA section 205 jurisdiction. However, the Commission noted that because Vernon voluntarily submitted its transmission revenue requirement as a component of the California Independent System Operator's (CAISO) jurisdictional rate, Vernon's transmission revenue requirement is "subject to a full and complete section 205 review as part of our section 205 review of that jurisdictional rate."²⁰ The Commission explained that in *Pacific Gas & Elec. Co. v. FERC*, the U.S. Court of Appeals for the District of Columbia Circuit held that the Commission has statutory authority to review Vernon's transmission revenue requirement "to the extent necessary to ensure that the CAISO rates are just and reasonable."²¹ Subsequently, the court upheld the Commission's decision that subjecting the transmission revenue requirements of non-jurisdictional utilities (such as Vernon) to a full section 205 review is "the only way to ensure that CAISO's rate is just and reasonable."²²

13. Therefore, while Tri-County is not within the Commission's jurisdiction under FPA section 205, we find that, based on the court's rulings, it is appropriate to apply the just and reasonable standard of FPA section 205 to Tri-County's proposed rates. To determine the justness and reasonableness of such rates, we find that, as discussed below, hearing and settlement judge procedures are appropriate.

2. Hearing and Settlement Judge Procedures

14. We find that the record before us does not provide enough information for us to determine the appropriate classification of the facilities that form the basis for the annual

¹⁹ See *City of Vernon, California*, Opinion No. 479, 111 FERC ¶ 61,092, *order on reh'g*, Opinion No. 479-A, 112 FERC ¶ 61,207, *reh'g denied*, Opinion No. 479-B, 115 FERC ¶ 61,297 (2006).

²⁰ Opinion No. 479, 111 FERC ¶ 61,092 at P 44.

²¹ *Id.* at 43 (quoting *Pacific Gas & Elec. Co. v. FERC*, 306 F.3d 1112, 1117 (D.C. Cir. 2002)).

²² *Transmission Agency of N. Cal. v. FERC*, 495 F.3d 663, 672 (D.C. Cir. 2007) (TANC).

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revenue requirements proposed by Tri-County. In addition, Tri-County's proposed formula rate template and protocols raise issues of material fact that cannot be resolved based on the record before us and are more appropriately addressed in the hearing and settlement procedures ordered below.

15. Our preliminary analysis indicates that the proposed Tariff revisions have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, we will accept the proposed revisions for filing, to be effective April 1, 2012, and establish hearing and settlement judge procedures.

16. While we are setting this case for a trial-type evidentiary hearing, we encourage the parties to make every effort to settle their dispute before hearing procedures are commenced. To aid the parties in their settlement efforts, we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2011). If the parties desire, they may, by mutual agreement, request a specific judge as the settlement judge in the proceeding; otherwise, the Chief Judge will select a judge for this purpose.²³ The settlement judge shall report to the Chief Judge and the Commission within 30 days of the date of the appointment of the settlement judge, concerning the status of settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions or provide for commencement of a hearing by assigning the case to a presiding judge.

The Commission orders:

(A) SPP's proposed Tariff revisions are hereby accepted for filing, to become effective April 1, 2012, as discussed in the body of this order and the ordering paragraphs below.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and by the Federal Power Act, particularly section 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the Federal Power Act (18 C.F.R. Chapter 1), a public hearing shall be held concerning this filing. However, the hearing shall be held in abeyance to provide time for settlement judge procedures, as discussed in Ordering Paragraphs (C) and (D) below.

²³ The Commission's website contains a list of Commission judges and a summary of their background and experience (<http://www.ferc.gov/legal/adr/avail-judge.asp>).

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(C) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2011), the Chief Administrative Law Judge is hereby directed to appoint a settlement judge in this proceeding within fifteen days of the date of this order. Such settlement judge shall have all powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable after the Chief Judge designates the settlement judge. If the parties decide to request a specific judge, they must make their request to the Chief Judge within five days of the date of this order.

(D) Within thirty days of the appointment of the settlement judge, the settlement judge shall file a report with the Commission and the Chief Judge on the status of the settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the settlement judge shall file a report at least every sixty days thereafter, informing the Commission and the Chief Judge of the parties' progress toward settlement.

(E) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within fifteen days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

141 FERC ¶ 61,149
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

Southwest Power Pool, Inc.

Docket No. ER12-2387-002

ORDER ACCEPTING TARIFF REVISIONS

(Issued November 20, 2012)

1. On August 2, 2012, as amended on September 26, 2012, pursuant to section 205 of the Federal Power Act (FPA),¹ Southwest Power Pool, Inc. (SPP) submitted revisions to Attachment H (Annual Transmission Revenue Requirement for Network Integration Transmission Service) and Attachment T (Rate Sheets for Point-To-Point Transmission Service) of its open access transmission tariff (Tariff).² The proposed revisions, as amended, update the revenue requirements and associated rates in order to implement the initial reallocation of revenue requirements pursuant to SPP's Balanced Portfolio cost allocation methodology (Balanced Portfolio Process). In this order, we accept SPP's Tariff revisions, as discussed further below.

I. Background

2. On October 16, 2008, the Commission accepted, subject to modification, SPP's Balanced Portfolio Process, which established procedures to evaluate a group or portfolio of economic transmission projects to be included in SPP's Transmission Expansion Plan (STEP) and to recover the costs of such upgrades on a region-wide postage stamp basis.³

¹ 16 U.S.C. § 824e (2006).

² On August 14, 2012, SPP requested deferral of Commission action on the August 2, 2012 filing following the Commission's acceptance of The Empire District Electric Company's (Empire) proposed formula rate template and implementation protocols and until the Commission issued an order in SPP's July 23, 2012 filing to revise the SPP Tariff accordingly. *See Empire District Electric Company*, 140 FERC ¶ 61,087 (2012), and Docket No. ER12-2289-000, *Federal Register*, 77 Fed. Reg. 45,348 (2012).

³ *See Southwest Power Pool, Inc.*, 125 FERC ¶ 61,054 (2008) (October 2008 Order); *order on reh'g and compliance*, 127 FERC ¶ 61,271 (2009); *order on reh'g and compliance*, 137 FERC ¶ 61,227 (2011).

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In order for a portfolio of economic upgrades to qualify for such cost allocation, the portfolio must be “balanced.” A portfolio is “balanced” when the adjusted production cost benefits calculated for each zone are simultaneously equal to or greater than the costs allocated to each zone based on a ten-year planning horizon.

3. To achieve this balance as the actual construction costs of the projects are included in rates, the Balanced Portfolio Process contains a reallocation mechanism whereby a portion of a zone’s zonal revenue requirement may be reallocated to the region-wide postage stamp revenue requirement. SPP states that this method of balancing is to benefit deficient zones by reducing their costs and to ensure that no zone is disadvantaged by paying costs for economic upgrades for which it receives little or no benefit.⁴ The reallocation mechanism is triggered when at least 10 percent of the costs associated with the projects in an approved Balanced Portfolio have been included in rates under the Tariff. Specifically, section IV.A.1 of Attachment J (Recovery of Costs Associated with New Facilities) of SPP’s Tariff provides that:

The initial reallocation of the Reallocated Revenue Requirements for the deficient Zones(s) to the Balanced Portfolio Region-wide Annual Transmission Revenue Requirement shall occur when at least 10% of the estimated levelized annual transmission revenue requirements for the approved Balanced Portfolio has been included in rates under the Tariff (the Trigger Date).⁵

4. According to the Balanced Portfolio Process, on the Trigger Date, 20 percent of the reallocated revenue requirements are transferred to the balanced portfolio region-wide revenue requirement total. On the anniversary of the Trigger Date in the subsequent four years, an additional 20 percent of the reallocated revenue requirement is transferred to the total balanced portfolio region-wide revenue requirement total.⁶

II. SPP’s Filings

5. SPP’s August 2, 2012 filing proposes revisions to update the revenue requirements and associated rates in order to implement the initial reallocation of revenue requirements pursuant to the Balanced Portfolio Process. SPP states that the 10 percent Trigger Date was met as of January 1, 2012, thus prompting the initial reallocation of revenue

⁴ According to SPP, a zone is “deficient” if the costs allocated to the zone associated with the projects included in the Balanced Portfolio are greater than the benefits (adjusted production cost savings) those projects were estimated to provide to that zone in the ten-year study horizon. See SPP’s August 2, 2012 Filing at 3.

⁵ SPP Tariff, Attachment J, section IV.A.1.

⁶ *Id.*

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requirements from the deficient zones' zonal revenue requirement to the Balanced Portfolio region-wide revenue requirement. SPP explains that its proposed Tariff revisions represent the first incremental transfer of 20 percent of the balance transfers for those entities that do not have formula rate templates approved by the Commission and SPP updates the revenue requirements and associated rates for those affected SPP transmission owners. SPP asserts that its proposed Tariff revisions are necessary to update revenue requirements and associated rates based on the initial reallocation of revenue requirements required by the Balanced Portfolio Process.

6. In the August 2, 2012 filing, SPP also notified the Commission that SPP is initiating an unintended consequences review of this Balanced Portfolio of projects pursuant to Attachment J, section IV.B of the Tariff. SPP states that when it completes the analysis, SPP will provide a report and make a recommendation to SPP's Markets and Operations Policy Committee.⁷

7. As noted above, SPP subsequently requested that the Commission defer action on the August 2, 2012 filing because it would be affected by the Commission's order in the Empire formula rate proceedings.⁸ SPP's September 26, 2012 filing contained: (1) a motion to amend the August 2, 2012 filing as a result of an administrative oversight (SPP incorrectly reflected the impact of the balance transfers on the City of Springfield's zone) and to reflect Commission action in the Empire formula rate proceedings;⁹ and (2) a motion to amend its answer in this proceeding.¹⁰

8. As in its August 2, 2012 filing, SPP requests that the Commission accept its proposed revisions effective October 1, 2012, for the initial reallocation of 20 percent of the estimated costs, and October 1 of each year for all subsequent annual reallocations for years two through five. SPP states that its requested effective dates coincide with the dates on which SPP begins settling its monthly transactions, which is the first day of each

⁷ SPP August 2, 2012 Filing at 5.

⁸ See *supra* n.2.

⁹ On July 31, 2012, the Commission accepted and suspended for five months Empire's formula rate template to become effective January 1, 2013, subject to refund, and set the matter for hearing and settlement procedures. SPP asserts that this requires modification of the August 2, 2012 filing to include Empire's currently approved revenue requirement, rather than the formula rate that will not be effective until January 1, 2013.

¹⁰ SPP states that upon review of the intervenors' pleadings submitted in response to the August 2, 2012 filing, SPP incorrectly interpreted the comments as protests. Thus, SPP requests that the Commission strike all references to "protests" or "protesters" from SPP's answer.

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month. Thus, SPP contends that an October 1 effective date will reduce the administrative burden on SPP's settlements department.

III. Notice of Filings and Responsive Pleadings

9. Notice of SPP's August 2, 2012 filing was published in the *Federal Register*, 77 Fed. Reg. 48,137 (2012), with interventions and protests due on or before September 4, 2012. Timely motions to intervene were filed by: Westar Energy, Inc.; American Electric Power Service Corporation; Kansas City Power & Light Company (KCP&L) and KCP&L Greater Missouri Operations Company (collectively, KCP&L-GMO); Empire; and Kansas Corporation Commission.

10. Timely motions to intervene and comments were filed by: Midwest Energy Corporation (Midwest); jointly by Golden Spread Electric Cooperative, Inc., Sunflower Electric Power Corporation, and Mid-Kansas Electric Company, LLC (Western SPP G&Ts); Xcel Energy Services Inc. (Xcel); and Western Farmers Electric Cooperative (Western Farmers).

11. Lincoln Electric System, and jointly, East Texas Electric Cooperative, Inc., Northeast Texas Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc. (East Texas Cooperatives) filed motions to intervene out-of-time.

12. Empire, KCP&L-GMO, and SPP filed answers to comments.

13. Notice of SPP's motion to defer action on the August 2, 2012 filing was published in the *Federal Register*, 77 Fed. Reg. 51,992 (2012). Notice of SPP's September 26, 2012 filing was published in the *Federal Register*, 77 Fed. Reg. 60,978 (2012), with interventions and protests due on or before October 17, 2012. None were filed.

A. Comments

14. Commenters note that they do not protest SPP's filing, but they request that the Commission defer action on it, or accept it by delegated letter order, to allow the unintended consequences review process to address the issues raised by commenters. Such action would be without prejudice to parties in the affected zones to seek relief pursuant to applicable procedures at a later time.¹¹

15. Commenters assert that the process by which SPP determines whether a portfolio remains balanced, and on which SPP bases revenue reallocation, is flawed. Commenters contend that SPP uses the same benefits that it estimated at the time the balanced portfolio was approved, while SPP has trued up the estimated project costs to reflect the

¹¹ Midwest Comments at 15; Western SPP G&Ts Comments at 1, 9-10; Xcel Comments at 2-3; Western Farmers Comments at 8-9.

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actual project costs, which results in a faulty comparison and thus fails to achieve the intended balance.¹² According to commenters, when the Balanced Portfolio Process was undertaken, much of the projected benefits were production cost savings made possible by the displacement of natural gas-fired generation with wind energy. However, commenters contend that natural gas prices have unexpectedly declined dramatically and are forecasted to remain low for several years.¹³ In addition, Midwest notes that other benefits that were not included when SPP originally developed the Balanced Portfolio Process have not been captured in the balancing process.¹⁴

16. Moreover, commenters note that the actual costs of the Balanced Portfolio projects have increased by more than 30 percent, from \$692 million to \$896 million.¹⁵ Commenters assert that the cost increase has reduced the number of beneficiary zones from seven to five, thus reducing the percentage of customers responsible for paying for reallocated revenues from over 50 percent of load to approximately 18 percent of load. Commenters contend that the Balanced Portfolio true-up and resulting reallocation is creating a situation in which a small number of utilities bear a disproportionate share of the cost increases, while seeing the benefits of the Balanced Portfolio projects decline.¹⁶

17. Xcel notes that in the August 2, 2012 filing, SPP requested an effective date of October 1, 2012, for the initial reallocation of the revenue requirement, and October 1 for all subsequent annual transfers for years two through five. However, Xcel contends that SPP's request for deferral of action on that filing does not address any impact of the deferral on the effective date of the initial reallocation.¹⁷

B. Answers

18. Empire asserts that SPP has conducted a mechanical implementation of the Balanced Portfolio Process, and that the Tariff provisions incorporating the results of the

¹² Midwest Comments at 9, 14; Western SPP G&Ts Comments at 12-13; Xcel Comments at 6; Western Farmers Comments at 5.

¹³ Midwest Comments at 14; Western SPP G&Ts Comments at 12-13; Xcel Comments at 6; Western Farmers Comments at 5.

¹⁴ Midwest Comments at 14-15.

¹⁵ Midwest Comments at 11; Western SPP G&Ts Comments at 12-13; Xcel Comments at 7; Western Farmers Comments at 6-7.

¹⁶ Midwest Comments at 12-14; Western SPP G&Ts Comments at 9, 12-13; Xcel Comments at 7-8; Western Farmers Comments at 7-8.

¹⁷ Xcel Comments at 9.