

Southwestern Public Service Company FERC Order 890 Strawman Overview

May 7, 2007

Summary

- ▶ SPS operates approximately 5,780 miles of 69 kV-345 kV transmission in Texas, New Mexico, Oklahoma, and Kansas.
- ▶ Part of Xcel Energy with Public Service Company of Colorado and Northern States Power
- ▶ SPS is a member of the SPP RTO
- ▶ SPS also provides ‘grandfathered” NITS under the XE Operating Companies Joint Open Access Tariff
- ▶ SPS retail loads not directly served under any OATT but are subject to the non-rate terms/conditions of the XE Joint OATT and the SPP OATT.

Order 890 Principles

• 1. Coordination

- ✓ SPP is transmission provider for all non-grandfathered OATT uses
- ✓ SPS participates in regional groups (TWG membership, study groups, MDWG, etc.)
- ✓ SPS has periodic meetings with its NITS customer and wholesale customers.

• 2. Openness

- ✓ SPS posts studies on SPS OASIS
- ✓ No currently scheduled sub-regional planning meetings - considering it

• 3. Transparency

- ✓ Planning Criteria provided with strawman - same as provided in FERC 715
- ✓ Study methodologies provided in posted reports

• 4. Information Exchange

- ✓ Other SPP customers provide their input directly to SPP
- ✓ NITS customers provide annual 10-yr forecast updates
- ✓ SPS provides annual model data and other required submissions

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•5. Comparability

- ✓SPS based its studies on most recent completed SPP Aggregate Trans service models to capture most recent sold service.
- ✓SPS uses clustering when necessary (physical interactions/efficiency)
- ✓On network trans. service, SPS will consult with SPP or other utilities if an impact is observed outside SPS.

•6. Dispute resolution

- ✓SPP OATT Dispute resolution process or XE Joint OATT Section 12

•7. Regional Participation

- ✓SPS participates in SPP modeling and study processes
- ✓SPS's internal planning directly related to wholesale and retail load requests
- ✓SPS participates actively in SPP sub-regional study groups

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•8. Economic Planning Studies

- ✓SPS defers to SPP regional economic planning processes

•9. Cost Allocation

- ✓SPP has regional cost allocation methodology
- ✓For new wholesale load serving interconnections, cost allocation is based on XE Load Interconnection Cost Allocation Policy