144 FERC ¶ 61,244
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 30, 2013

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER13-1996-000

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223

Attention: Matthew Harward, Esq.

Dear Mr. Harward:

1. On July 19, 2013, Southwest Power Pool, Inc. (SPP) submitted revisions to Attachment T (Rate Sheets for Point-To-Point Transmission Service) of its open access transmission tariff (Tariff) to update the stated point-to-point transmission service rates for City Utilities of Springfield, Missouri. In addition, the filing notifies the Commission of the implementation of the year-two reallocation of revenue requirements in accordance with the Balanced Portfolio process pursuant to Attachments J (Recovery of Costs Associated with New Facilities) and O (Transmission Planning Process) of SPP's Tariff. SPP requests an effective date of October 1, 2013 for the Attachment T revisions, which is coincident to the effective date previously approved by the Commission for Balanced Portfolio transfers in an order issued on November 20, 2012.[1]

2. Notice of the filing was published in the *Federal Register*, 78 Fed. Reg. 45,520 (2013), with interventions and protests due on or before August 9, 2013. Timely motions to intervene were filed by Mid-Kansas Electric Company, LLC, Midwest Energy, Inc., Sunflower Electric Power Corporation, and Western Farmers Electric Cooperative (collectively, Paying Utilities), City of Springfield, Missouri, and Kansas City Power & Light Co. and KCP&L Greater Missouri. On August 8, 2013, Paying Utilities submitted comments. On August 23, 2013, SPP submitted an answer to Paying Utilities' comments.

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[1] *See Southwest Power Pool, Inc.*, 141 FERC ¶ 61,149, at P 25 (2012) (November Order).

3. Paying Utilities state that they are not protesting SPP's continued implementation of the Balanced Portfolio process in this docket, but they state that they continue to have concerns, not yet addressed by SPP, about the implementation of the Balanced Portfolio process, the resulting adverse impacts to transmission-owning utilities in the SPP region, and the unintended consequences review that was promised in the November Order.[2] Paying Utilities also outline their recent attempt to recreate SPP's original cost/benefit modeling for implementing the Balanced Portfolio process. According to Paying Utilities, while SPP's staff has been cooperative, SPP's staff has been unable to locate the inputs to its analysis, making it impossible for Paying Utilities to replicate the results of this analysis. Paying Utilities note that they will continue to pursue remedies with SPP to overcome the unintended consequences of the Balanced Portfolio process, and they express hope that further Commission involvement to ensure relief will not be necessary.[3]

4. SPP asserts that it is dedicated to responding to inquiries and issues pertaining to the implementation of the Balanced Portfolio process both on an individual member basis, as appropriate, and through the general stakeholder process. SPP contends that it has responded, and will respond, to any direction provided by SPP's Markets and Operations Policy Committee or Board of Directors regarding any review of the Balanced Portfolio pursuant to Attachment J, section IV.B of the Tariff. In addition, SPP reiterates its commitment to work with Paying Utilities and all stakeholders to provide substantive information and data relative to the Balanced Portfolio. In conjunction with this commitment, SPP maintains that it is engaging in an internal review to identify best practices for reviewing the current Balanced Portfolio on an ongoing basis.[4]

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 384.213(a)(2) (2013), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answer filed by SPP because it has provided information that has assisted us in our decision-making process.

6. We accept SPP's revisions to Attachment T, effective October 1, 2013, as requested. We also accept SPP's notice of the implementation of the year-two reallocation of revenue requirements as consistent with the November Order. Finally, we expect SPP to uphold its commitment to respond to inquiries and issues pertaining to the

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[2] Paying Utilities Comments at 2 (citing *Southwest Power Pool, Inc.*, 141 FERC ¶ 61,149, at P 26 (2012)).

[3] *Id.*

[4] SPP Answer at 3-4.

implementation of the Balanced Portfolio process on an individual member basis and, as appropriate, through the general stakeholder process.

By direction of the Commission.

Kimberly D. Bose,
Secretary.