

136 FERC ¶ 61,003  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.

Docket No. ER11-3494-000

ORDER CONDITIONALLY ACCEPTING NETWORK INTEGRATION  
TRANSMISSION SERVICE AGREEMENT AND NETWORK OPERATING  
AGREEMENT

(Issued July 1, 2011)

1. On May 2, 2011, under section 205 of the Federal Power Act (FPA),<sup>1</sup> Southwest Power Pool, Inc. (SPP) submitted for filing an unexecuted network integration transmission service agreement (May 2 NITSA) between SPP as transmission provider and Kansas Power Pool, Inc. (KPP) as network customer, and an unexecuted network operating agreement (May 2 NOA) among SPP as transmission provider, KPP as network customer, Mid-Kansas Electric Company (Mid-Kansas), Midwest Energy, Inc. (Midwest), and Westar Energy, Inc. (Westar) as host transmission owners (collectively, May 2 Agreements). SPP also provided a notice of cancellation of certain agreements superseded by the May 2 Agreements. In this order, we conditionally accept the May 2 Agreements, with the exception of Attachment D, which we accept for informational purposes only, effective April 1, 2011, as discussed below.

**I. Background**

**A. Parties**

2. SPP is a Commission-approved regional transmission organization (RTO). As such, SPP administers transmission service pursuant to its open access transmission tariff (SPP Tariff) over portions of Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. SPP currently has 56 members and serves more than five million customers in a 370,000 square mile area.

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<sup>1</sup> 16 U.S.C. § 824d (2006).

3. KPP is a municipal energy agency, authorized by Kansas statutes and created by and for its members. KPP has 41 members, and provides power services to 28 municipal utilities in Kansas with a total load of approximately 368 MW.
4. Mid-Kansas was formed by the distribution cooperative members of Sunflower Electric Power Corporation to purchase the Kansas electric assets of Aquila, Inc. Mid-Kansas's assets include generation and transmission facilities, and agreements for the use of member-owned electric distribution facilities. Mid-Kansas owns approximately 1,083 miles of transmission lines and associated substation facilities and 395 MW of gas-fired generation resources.
5. Midwest is a not-for-profit gas and electric cooperative serving central and western Kansas that provides natural gas distribution service to approximately 41,000 retail customers, bundled electric sales service to approximately 48,000 retail customers and wholesale electric sales and or transmission service to ten municipal electric systems.
6. Westar and its affiliate Kansas Gas and Electric Company are vertically integrated electric utilities, serving over 650,000 retail and 75 wholesale customers in the state of Kansas.

**B. Prior KPP Network Agreements**

7. On July 1, 2010, in Docket No. ER10-1697-000, SPP filed an unexecuted network integration transmission service agreement (July 1 NITSA) between SPP as transmission provider and KPP as network customer, and an executed network operating agreement (July 1 NOA) among SPP as transmission provider, KPP as network customer, and Mid-Kansas as host transmission owner (collectively, the July 1 Agreements).<sup>2</sup>
8. On January 13, 2011, in Docket No. ER11-2677-000, SPP updated the July 1 Agreements by replacing the single service and operating agreement for local delivery service with six new local delivery agreements—three local delivery service agreements and three local delivery operating agreements. The six new local delivery agreements became Attachment B to the July 1 NITSA.<sup>3</sup> On June 10, 2011 the Commission issued an order accepting the July 1 Agreements and granted a June 1, 2010 effective date.<sup>4</sup>

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<sup>2</sup> In its filing letter, SPP asked the Commission to defer its decision on the July 1 Agreements, anticipating a possible settlement.

<sup>3</sup> On March 14, 2011, the Commission issued a letter order requesting additional information from SPP regarding the January 13 Filing. SPP responded to the letter order on April 13, 2011.

<sup>4</sup> *Southwest Power Pool, Inc.*, 135 FERC ¶ 61,223 (2011) (June 10 Order).

9. On March 31, 2011, in Docket No. ER11-3257-000, SPP submitted for filing: (1) an executed network integration transmission service agreement between SPP as transmission provider and KPP as network customer; (2) an executed network operating agreement between SPP as transmission provider, KPP as network customer, and Westar as host transmission owner; and (3) an unexecuted network operating agreement among SPP as transmission provider, KPP as network customer, and Midwest as host transmission owner (March 31 Agreements). On May 25, 2011, the Commission issued a letter order accepting the March 31 filing and granted a March 1, 2011 effective date, subject to the outcome of the instant proceeding.<sup>5</sup>

## II. SPP's Filing

10. In the instant filing, SPP seeks to combine the July 1 and March 31 Agreements in Docket Nos. ER10-1697-000, ER11-2677-000, and ER11-3257-000, into one network integration transmission service agreement and one network operating agreement (i.e., the May 2 Agreements). Therefore, SPP provides notice that the July 1 and March 31 Agreements are cancelled effective April 1, 2011 and requests waiver of the Commission's prior notice requirement so that the May 2 Agreements may become effective April 1, 2011.

11. SPP states that at the conclusion of the SPP-2009-AGP2 Aggregate Transmission Service Study (Aggregate Study), SPP approved KPP's request to combine its network resources and network load into one network integration transmission service agreement effective April 1, 2011.

12. SPP states that it filed the May 2 Agreements because they are unexecuted and because they contain language that does not conform to the *pro forma* network integration transmission service and network operating agreements.<sup>6</sup> SPP indicates that it is filing the May 2 NITSA unexecuted due to the ongoing dispute between KPP and Mid-Kansas over the local delivery service agreements in Attachment B of the July 1 NITSA.<sup>7</sup>

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<sup>5</sup> *Southwest Power Pool, Inc.*, Docket No. ER11-3257-000 (May 25, 2011) (unpublished letter order).

<sup>6</sup> See SPP Tariff at Attachment F (*pro forma* network integration transmission service agreement) and Attachment G (*pro forma* network operating agreement).

<sup>7</sup> In the June 10 Order accepting the July 1 Agreements, the Commission agreed with Mid-Kansas that, because it is generally exempt from regulation as a public utility under the FPA as a Rural Utilities Service-financed cooperatives, Mid-Kansas's rates for the wholesale distribution service it provides and the classification of the facilities at issue were not subject to the Commission's jurisdiction. June 10 Order, 135 FERC ¶ 61,223 at P 28-32.

The local delivery service agreements are in Attachment D of the May 2 NITSA (2010 KPP Local Agreements).

13. In addition, SPP states that Midwest did not sign the May 2 NOA because SPP refused to include the following language in section 9.2:

In the event the Network Customer owns or controls resources located behind the meter, generation telemetry readings shall be provided either by aggregating such telemetry for multiple units behind the same meter, or for individual resources. If such resources are operated less than 40 hours in the prior calendar year, the Network Customer may provide only integrated MWHRS/HR and integrated MVARHRS/HR after the fact, so long as such data is provided in accordance with timing requirements as mutually agreed by the Network Customer, Host Transmission Owner, and the Transmission Provider. In either case, such generation meter readings shall be provided either directly to the Host Transmission Owner or indirectly through the Transmission Provider.

14. SPP explains that Midwest requested that this language be included in the May 2 NOA on April 28, 2011. SPP states that it did not include this language because there was insufficient time for SPP to evaluate it before the May 2, 2011 filing date required to accommodate the parties' request for an effective date of April 1, 2011.<sup>8</sup>

15. According to SPP, the May 2 Agreements conform to SPP's *pro forma* network integration transmission service and network operating agreements except for the non-conforming language in the May 2 NITSA described below:

(1) Section 8.1 of Attachment 1:

Network loads connected to the Westar Energy transmission system are based on the charges for the Westar Energy pricing zone, network loads connected to the Midwest Energy transmission system are based on the charges for the Midwest Energy pricing zone, and network loads connected to the Mid-Kansas Electric Company transmission system are based on the charges for the Mid-Kansas Electric Company pricing zone.

16. SPP asserts that this language is necessary to account for the fact that KPP is taking network service over three separate transmission owners' transmission systems.

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<sup>8</sup> Midwest did not file comments regarding whether it still wants this language to be included in the May 2 NOA.

(2) Section 8.3 of Attachment 1—Direct Assignment Facilities Charges—

System reinforcements are required to address the City of Kingman's 6 MW path limit as part of Attachment D to allow for SPP Network Integration Transmission Service to Kingman's forecasted load. Future charges, if required shall be in accordance with Mid-Kansas Open Access Transmission Tariff and/or the Mid-Kansas Tariff. The following System reinforcements have been identified in SPP-2009-AGP2 to address the City of Kingman's 6 MW path limit. Alternatives to these system reinforcements would be subject to mutual agreement between the Network Customer and Mid-Kansas and SPP.

17. SPP contends that this language is necessary to provide information regarding the direct assignment facilities charges that: (1) SPP identified in the aggregate study to address the City of Kingman's six MW path limit contained in Appendix 4 of Attachment D; and (2) that KPP may be required to pay in order to take network service for the City of Kingman's forecasted load of approximately 11 MW over the Mid-Kansas system.

(3) Section 8.5 of Attachment 1 of the May 2 NITSA specifies that KPP shall replace transmission losses by delivery point in accordance with details in Appendix 3. In Appendix 3, the Parties include additional information beyond the name, ownership, and voltage of the delivery point contemplated by the *pro forma* network integration transmission service agreement (emphasis added).

(4) Section 8.6 of Attachment 1 of the May 2 NITSA specifies that KPP shall replace distribution losses by delivery point in accordance with details in Appendix 3. SPP states that the parties include in Appendix 3 additional information beyond the name, ownership, and voltage of the delivery point contemplated by the *pro forma* network integration transmission service agreement (emphasis added).

18. SPP states that the additional non-conforming language in sections 8.5-8.6 and Appendix 3 is necessary to provide detail on the loss percentages for the delivery points.

(5) Section 8.8 of Attachment 1 of the May 2 NITSA contains language to specify that generation redispatch is required to provide service under the May 2 NITSA. The language explains that KPP has agreed to provide generation redispatch power in specified amounts necessary to alleviate loading on certain facilities listed in the non-conforming Attachment A to the May 2 NITSA. The generation redispatch will be provided prior to completion of specific upgrades, which are also specified in Section 8.8 of the specifications of the May 2 NITSA. The redispatch obligations will be arranged in accordance with Attachment K of the SPP Tariff, and will occur

in advance of curtailment of other firm reservations impacting the constraints. KPP will bear the cost of such redispatch, and SPP agrees that such redispatch satisfies the redispatch obligation.

19. SPP indicates that this additional language is necessary to specify that generation redispatch is required prior to completion of the planned network and reliability upgrades, and is consistent with section 13.5 and Attachment K of the SPP Tariff. SPP adds that the language is also consistent with the Commission's desire that transmission providers work with customers to facilitate the use of third party generation, where available, in the provision of redispatch service.

- (6) Section 8.8 of Attachment 1 of the May 2 NITSA also provides that SPP will curtail KPP's transmission service in the event KPP fails to comply with an SPP request for interim redispatch.

20. SPP states that this language is consistent with Commission precedent, which allows a transmission provider to curtail service for a third-party resource if the third-party resource fails to perform its redispatch obligation. SPP adds that this language also is consistent with section 13.6 of the SPP Tariff, which allows SPP to make curtailments on a non-discriminatory basis and to curtail firm transmission service when an emergency or other unforeseen condition impairs or degrades the reliability of the transmission system. SPP asserts that because the additional language is consistent with the SPP Tariff and Order No. 890, it is just and reasonable.

- (7) Section 8.8 also contains the following non-conforming language:

[M]aximum firm import capability limitations will be enforced for Network Customer load both before and after completion of required network upgrades as detailed in Attachment B and Attachment C respectively subject to later re-studies, facility improvements, and/or modifications to Network Customer's network loads and/or resources. These limitations are applicable during peak loading conditions as identified by Midwest Energy and Westar Energy. Attachments B and C are non-conforming attachments to the May 2 NITSA.

21. SPP states that the language in Section 8.8 and Attachments B and C is necessary to provide for the maximum firm import capability limitations associated with KPP's network service.

- (8) Section 8.9 of Attachment 1 to the May 2 NITSA contains language indicating that wholesale distribution service charges for KPP's entire load on the

Westar transmission system will be calculated pursuant to an agreement, currently in effect, between Westar and KPP (Ancillary Services Agreement).<sup>9</sup>

22. SPP contends that this language is consistent with Schedule 10 of the SPP Tariff, which provides that “[a]ll rates and charges for Wholesale Distribution Service shall be on file with the appropriate agency as required by law or regulation.”<sup>10</sup>

(9) Section 8.9 of Attachment 1 to the May 2 NITSA further provides that Wholesale Distribution Service Charges for all of KPP’s load on Mid-Kansas’s transmission system, if any, are specified in the local delivery agreements between KPP and Mid-Kansas. The local delivery agreements are included as non-conforming Attachment D to the May 2 NITSA. Section 8.9 also provides that the monthly rate for wholesales distribution service charges shall be as specified in the Mid-Kansas Open Access Transmission Tariff and/or the Mid-Kansas Tariff.

23. SPP asserts that the non-conforming language in Section 8.9 and the inclusion of the local delivery agreements in Attachment D is consistent with Schedule 10 of the SPP Tariff.

(10) SPP states that Westar requested that SPP add the following language to Section 8.12 of Attachment 1 to the May 2 NITSA:

In addition to the Ancillary Services described in Section 8.4 of this agreement, the customer is subject to charges related to Generator Regulation and Frequency Response Service in accordance with Schedule 3A of the Westar Open Access Transmission Tariff for any export of power out of the Westar Balancing Area. This Ancillary Service may be self-supplied by the Network Customer or provided by a third party in accordance with Schedule 3A.

24. SPP asserts that Westar desires this language in order to indicate that KPP is subject to certain charges for generator regulation and frequency response services. SPP

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<sup>9</sup> On September 2, 2008, SPP filed the Ancillary Services Agreement, SPP Service Agreement No. 1136, with the Commission, which the Commission accepted on October 28, 2008. *Southwest Power Pool, Inc.*, Docket No. ER08-1487-000 (Oct. 28, 2008) (unpublished letter order).

<sup>10</sup> Section 8.4.1 of Attachment 1 of the May 2 Agreement similarly references the Ancillary Services Agreement. Specifically, the additional language provides that the ancillary services initially will be self-supplied by KPP utilizing the Ancillary Services Agreement, subject to change pursuant to the Ancillary Services Agreement.

states that these charges will be determined in accordance with Schedule 3A of the Westar Open Access Transmission Tariff (Westar Tariff), which provides the rates for these services. The Commission previously accepted the rates in Schedule 3A of the Westar Tariff.<sup>11</sup>

25. SPP concludes that the non-conforming language in the May 2 NITSA clarifies certain terms and conditions regarding the provision of network service to KPP, and is necessitated by the unique circumstances of KPP's service request. As such, SPP contends that the instant filing is consistent with the public interest and warrants acceptance by the Commission.

### **III. Notices and Responsive Pleadings**

26. Notice of SPP's May 2, 2011 filing was published in the *Federal Register*, 76 Fed. Reg. 27,035 (2011) with interventions and protests due on or before May 23, 2011. On May 18, 2011, KPP filed a motion to intervene and protest. On May 23, 2011, Mid-Kansas filed a motion to intervene and protest and Westar filed a motion to intervene. On June 3, 2011, the Kansas Corporation Commission (KCC) filed a motion to intervene out of time and protest. On June 7, 2011 SPP filed an answer. On June 8, 2011, Mid-Kansas filed a motion for leave to file answer and answer.

#### **A. Protests**

27. KPP protests the wholesale distribution charges included in the 2010 KPP Local Agreements. KPP states that the fundamental disagreement between KPP and Mid-Kansas regarding the proposed wholesale distribution service charges is whether KPP should be charged for such service at all.<sup>12</sup> KPP asserts that the facilities forming the basis for the proposed charges perform a transmission function under the Commission's seven-factor test, should be included in SPP's Tariff, and their costs should be included in the Mid-Kansas zonal transmission rate.

28. KPP argues that the question of whether these lower-voltage facilities perform a transmission function is ultimately for the Commission to determine, although the issue may be decided in the first instance by the KCC.<sup>13</sup> KPP urges the Commission to suspend the proposed wholesale distribution charges and place them into effect subject to refund and the outcome of a hearing to determine whether such charges are just and reasonable and hold the hearing in abeyance.

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<sup>11</sup> *Westar Energy, Inc.*, 130 FERC ¶ 61,215 (2010).

<sup>12</sup> KPP May 18, 2011 Protest at 6-9.

<sup>13</sup> *Id.* at 7-8.

29. In addition, KPP requests that the Commission make clear in its order in this proceeding that the cancellation of the earlier NITSA's will serve only to lock in the periods that would be affected by the Commission's eventual substantive rulings in the prior dockets, and will not deprive KPP of its "day in court" with respect to the issues raised in those dockets.<sup>14</sup>

30. Mid-Kansas responds that the local delivery agreements are non-jurisdictional and should be filed solely for information, not as part of the filed agreements.<sup>15</sup> Mid-Kansas states that a cross reference to Mid-Kansas' KCC-approved rates is all that should be included in the filed service agreements. However, Mid-Kansas states that it does not object to including the 2010 KPP Local Agreements in the filing for informational purposes.<sup>16</sup>

31. Mid-Kansas also argues that SPP improperly utilizes a single NOA to cover multiple host transmission owners.<sup>17</sup> Mid-Kansas argues that aggregating the NOA to cover multiple host transmission owners makes the contract ambiguous and unworkable. As an example, Mid-Kansas notes that all of the host transmission owners are "Parties" to the NOA.<sup>18</sup> Mid-Kansas questions whether the NOA gives it the contractual right to sue Westar for failing to "operate [its] systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice," as specified in Section 3.4 of the NOA. Mid-Kansas also questions whether the NOA imposes any obligation on Westar when there is an impairment of a delivery point on the Mid-Kansas system under the applicable provisions of the NOA.<sup>19</sup>

32. Mid-Kansas adds that SPP has offered no explanation for why the aggregate NOA is necessary. SPP does not "assert any specific reliability concerns, novel legal issues, or other unique factors as justification," for the change in past practice from host transmission owner-specific network operating agreements to an aggregate network operating agreement, except that KPP has requested this approach.<sup>20</sup> Mid-Kansas

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<sup>14</sup> *Id.* at 9-10.

<sup>15</sup> Mid-Kansas May 23, 2011 Protest at 4-8.

<sup>16</sup> *Id.* at 8.

<sup>17</sup> *Id.* at 9-11.

<sup>18</sup> *Id.* at 9.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* at 11.

requests that the Commission reject the aggregated May 2 Agreements outright or, in the alternative, direct SPP to refile them in a compliance filing, with a separate network integration transmission service agreement and network operating agreement for each host transmission owner.<sup>21</sup>

33. The KCC's protest argues that: (1) the KCC retains exclusive jurisdiction over the facilities in questions; and (2) Mid-Kansas is subject solely to the KCC's jurisdiction because it is a Rural Utility Services borrower.<sup>22</sup>

#### **B. Answers**

34. SPP's asserts that its long-standing practice has been to allow multiple host transmission owners to execute one network operating agreement and the Commission has accepted such agreements, including an earlier network operating agreement with Mid-Kansas as one of three host transmission owners.<sup>23</sup> In addition, allowing multiple host transmission owners to execute a single network operating agreement associated with service pursuant to a single network integration transmission service agreement benefits all parties because it facilitates efficient contract administration.<sup>24</sup>

35. SPP disputes Mid-Kansas' assertion that allowing host transmission owners to execute one network operating agreement requires wholesale revisions to the *pro forma* network operating agreement. To the contrary; the sections of the agreement apply to each host transmission owner individually and with respect to the host transmission owners' individual service areas.<sup>25</sup> As Mid-Kansas notes, the rights and obligations of the host transmission owners in a network operating agreement "are limited to situations regarding its [the Host Transmission Owners'] assets and not those of other Host Transmission Owners." SPP concludes that Mid-Kansas's new objection to network operating agreements with multiple host transmission owners as parties provides no basis for rejecting the single May 2 NOA as filed.<sup>26</sup>

36. Mid-Kansas's answer asserts that, notwithstanding the fact that it previously signed agreements that include other host transmission owners, it protests the May 2

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<sup>21</sup> *Id.* at 12.

<sup>22</sup> KCC June 3, 2011 Protest at 5-7.

<sup>23</sup> SPP June 7, 2011 Answer at 3-5.

<sup>24</sup> *Id.* at 4.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.* at 5.

NOA because the issue was not fully vetted within Mid-Kansas.<sup>27</sup> Mid-Kansas adds that the degree of possible confusion was magnified when SPP adopted the “Host Transmission Owners” term rather than the singular “Host Transmission Owner.” Nevertheless, Mid-Kansas believes the previously-filed NOAs are also ambiguous.<sup>28</sup>

37. Mid-Kansas also contends that the Commission has repeatedly made clear that the fact that parties sign nonconforming service agreements does not absolve SPP from demonstrating that a variation is “necessary.”<sup>29</sup> Mid-Kansas asserts that SPP has not met that burden merely by asserting that “allowing multiple Host Transmission Owners to execute a single NOA associated with service pursuant to a single NITSA benefits all parties because it facilitates efficient contract administration.” SPP has filed network operating agreements that vary from its *pro forma* agreement in that the *pro forma* does not contemplate multiple host transmission owners. SPP has failed to demonstrate adequately why this variance is necessary. Thus, Mid-Kansas asserts that the Commission should reject SPP’s filing.<sup>30</sup>

#### **IV. Discussion**

##### **A. Procedural Issues**

38. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2011), KPP’s May 18, 2011 motion to intervene and Mid-Kansas and Westar’s May 23, 2011 motions to intervene serve to make KPP, Mid-Kansas, and Westar 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 the late-filed motion to intervene of the KCC, given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

39. Rule 213(a)(2) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2011), prohibits answers to protests and answers unless otherwise ordered by the decisional authority. We will accept SPP and Mid-Kansas’s answers because they provided information that assisted us in our decision-making process.

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<sup>27</sup> Mid-Kansas June 8, 2011 Answer at 3.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.* at 3-4.

<sup>30</sup> *Id.*

## **B. Commission Determination**

40. As discussed below, we conditionally accept the May 2 Agreements for filing, with the exception of Attachment D, which we accept for informational purposes only, to be effective April 1, 2011. We also reject KPP's request to suspend the wholesale distribution charges, place them into effect subject to refund, and initiate hearing procedures be held in abeyance pending the proceedings before the KCC. Finally, we accept notice that the July 1 and March 31 Agreements are cancelled effective April 1, 2011.

41. As we found in the June 10 Order, Mid-Kansas is generally exempt from regulation as a public utility under the FPA because it is an entity that is "directly or indirectly" owned by cooperatives that are Rural Utilities Service-financed cooperatives.<sup>31</sup> Accordingly, the rates for the wholesale distribution service provided by Mid-Kansas and the classification of the facilities at issue here are not subject to the Commission's jurisdiction. Therefore, we deny KPP's request to suspend the proposed wholesale distribution charges, place them into effect subject to refund, and initiate hearing procedures be held in abeyance pending the KCC proceedings. Instead, the Commission conditionally accepts the May 2 Agreements for filing, with the exception of Attachment D, which is accepted for informational purposes only, without suspension or hearing. In addition, we grant waiver of the Commission's 60-day prior notice requirement.<sup>32</sup>

42. Regarding Mid-Kansas's assertion that SPP improperly utilizes a single network operating agreement to cover multiple host transmission owners, we find this practice to be just and reasonable and not unduly discriminatory or preferential. SPP clarifies that the sections of the May 2 NOA apply to each host transmission owner individually and with respect to the host transmission owners' individual service areas.<sup>33</sup> SPP further clarifies that the rights and obligations of the host transmission owners in a network operating agreement are limited to situations regarding the host transmission owners' own assets and not those of other host transmission owners.<sup>34</sup> Accordingly, we find Mid-

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<sup>31</sup> June 10 Order, 135 FERC ¶ 61,223 at P 28-32.

<sup>32</sup> See *Prior Notice Filing Requirements under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993) ("[F]or service agreements [under umbrella tariffs] . . . waiver of notice will be granted if service agreements are filed within 30 days after service commences.").

<sup>33</sup> SPP Answer at 4.

<sup>34</sup> *Id.*

Kansas's argument that the May 2 NOA is "ambiguous" to be unavailing. We also disagree with Mid-Kansas's assertion that SPP has not adequately demonstrated why aggregating owners in a single network operating agreement is necessary. We find SPP's claim that aggregation increases administrative efficiency to be reasonable. Therefore, we deny Mid-Kansas's request that the Commission reject the May 2 NOA outright or, in the alternative, direct SPP to refile it in a compliance filing, with a separate network integration transmission service agreement and network operating agreement for each host transmission owner.

43. With regard to the loss provision language added to sections 8.5 and 8.6 and Appendix 3 of the May 2 NITSA, we find that SPP has not explained adequately the need for these provisions, or how they are consistent with the loss provisions in Attachment M (Loss Compensation Procedures) of SPP's Tariff. Accordingly, we reject SPP's proposed revisions and direct SPP to submit a compliance filing within 30 days of the issuance of this order removing the proposed revisions from section 8.5 and 8.6 and Appendix 3.

44. With regard to language added to sections 8.1-Transmission Charge, 8.3-Direct Assignment Facility Charge, and the redispatch language added to 8.8-Redispatch Charge, we find that these are fill-in-the-blank type revisions that do not need to be filed with the Commission.<sup>35</sup> The *pro forma* network integration transmission service agreement provides for parties to enter specific details relating to specific transactions in sections 8.1, 8.3, and 8.8. Therefore, SPP does not need to file this type of provision with the Commission. With regard to language added to section 8.12, we find it unnecessary for SPP to include this language as part of the May 2 NITSA. KPP will take Regulation and Frequency Response service under a separate agreement in accordance with Schedule 3A of Westar's OATT. Therefore, it is unnecessary for SPP to reference the Schedule 3A service in the May 2 NITSA. We direct SPP to submit a compliance filing within 30 days of the issuance of this order removing the proposed revisions from section 8.12.

45. Finally, with regard to the language Midwest requested SPP to include as part of the May 2 NOA, we find that this issue is not before us because SPP chose not to include the language and Midwest has not protested SPP's actions. Accordingly, we will accept the unexecuted May 2 NOA.

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<sup>35</sup> See *Columbia Gas Transmission Corporation*, 97 FERC ¶ 61,221, at 62,002 (2001).

The Commission orders:

(A) We hereby conditionally accept the May 2 Agreements for filing, with the exception of Attachment D, to become effective April 1, 2011, as discussed in the body of this order.

(B) We accept Attachment D for informational purposes, as discussed in the body of this order.

(C) We accept notice that the July 1 and March 31 Agreements are cancelled effective April 1, 2011.

(D) We direct SPP to make a compliance filing within 30 days of the issuance of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.