



SPP

*Southwest
Power Pool*

System Facilities Study

*Firm Point-To-Point Transmission Service
Request 628572,628573,628574,628575*

Southwestern Public Service Company

*From SPS
To EDDY*

In The Requested Amount Of 200MW

*From 6/1/2008
To 6/1/2028*

*With 200MW Deferral For The Period
From*

4/1/2009 to 4/1/2029

*SPP Tariff Studies
#SPP-2003-287-2
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Executive Summary

At the request of Southwestern Public Service Company (Transmission Customer), the Southwest Power Pool (Transmission Provider) developed this Facilities Study to summarize the operating limits and to determine the financial characteristics associated with Transmission Service Request 628572, 628573, 628574, and 628575. This request is for 200 MW of Firm Point-To-Point Transmission Service from SPS to EDDY. The requested term of this Transmission Service is 20 years from 6/1/2008 to 6/1/2028.

Preliminary estimates for two options are provided for increasing the DC Tie Capacity at EDDY. The first option is to install a parallel Variable Frequency Transformer (VFT) with a \$55,363,405 preliminary estimate for engineering and construction. The second option is to install a parallel HVDC Tie with a \$50,363,405 preliminary estimate for engineering and construction. The estimated in-service date of the expansion is 4/1/2009. The requested service will need to be deferred to a 4/1/2009 start date. In addition to the expansion of the DC Tie Capacity at EDDY, the service requires AC transmission upgrades with a \$48,439,450 preliminary estimate for engineering and construction. All preliminary engineering and construction estimates quoted are subject to change based on further engineering.

To complete the request for Transmission Service, the Transmission Provider must receive from the Transmission Customer within 15 days of receipt of this study an unconditional and irrevocable letter of credit in the amount of either \$98,802,855 for asynchronous network interconnection equipment with associated AC transmission system upgrades, or \$48,439,450 for AC transmission upgrades required for this service if asynchronous network interconnect equipment at EDDY is installed by a third party. The Transmission Customer must also confirm this request on the Transmission Provider's OASIS pursuant to the results of this Facilities Study.

The ATC listed in [Table 4](#) is insufficient to provide the Transmission Customer with reliable service for a portion of the requested reservation period without impairing or degrading reliability to existing firm services. Therefore, the Deferral of Service as provided for in section 15.5 of the Transmission Provider's Open Access Transmission Tariff (OATT) was deemed applicable to this request for Transmission Service. The period in which 20 years of requested

Transmission Service may be provided at or near the capacity level requested is from April 1, 2009 to April 1, 2029.

Network Upgrades will be required on the Southwestern Public Service (SWPS), transmission system as listed in Table 1. The engineering and construction cost estimates for assignable Network Upgrades total \$103,802,855 for Option 1 (VFT) or \$98,802,855 for Option 2 (HVDC Tie). The preliminary engineering and construction estimates are subject to change based on further engineering evaluation. The sum of engineering and construction cost estimates for expedited (non-assignable) Network Upgrades is \$0. Interest and other indirect expenses associated with expedited Network Upgrades are assigned and included in the total estimated cost. No third-party facilities were identified in the impact study as being impacted by this reservation.

Construction of two SWPS planned 230 kV lines are required for the requested transmission service. One from Pecos Interchange to Seven Rivers Interchange and one from Pecos Interchange to Potash Junction Interchange. The requested service is contingent on the two SWPS planned 230 kV lines being completed prior to the start of service. The estimated in-service date of these SPS planned 230 kV lines is 12/1/2008. These upgrades are not assignable to the Transmission Customer.

Beyond the initial reservation period within the current planning horizon, there are no transmission facilities identified with overloads or voltage violations in the corresponding impact study.

As the HVDC tie option is the least cost option, this option will be utilized for analysis with associated levelized revenue requirements as shown in Tables 6-10. The estimated levelized revenue requirements for providing the Network Upgrades to accommodate the Transmission Service request utilizing a HVDC tie are \$330,117,120. This consists of \$101,685,850 Depreciation expense, \$123,022,879 Interest expense, and \$105,408,391 Carrying Cost expense. The average rate based on this total estimated cost of Network Upgrades is \$6877/MW/Month over the entire term. This equates to an average of \$1,375,488 per month for the 200 MW request. By accounting for only interest and other indirect costs over the term of Transmission Service, the average indirect cost multiplier is 3.34 over the entire term.

For AC Transmission system upgrades only required for this request, the levelized revenue requirement reduces the total to \$149,837,931. This consists of \$47,681,970 Depreciation expense, \$54,813,378 Interest expense, and \$47,342,583 Carrying Cost expense for revenue requirements. The average rate based on this total estimated cost of AC Network Upgrades is \$3,122/MW/Month over the entire term. This equated to an average of \$624,325 per month for the 200 MW request. By accounting for only interest and other indirect costs over the term of Transmission Service, the average indirect cost multiplier is 3.09 over the entire term.

Utilizing a 200 MW VFT tie at Eddy Co. instead of the HVDC tie increases the E & C cost by \$5,000,000 to a total of \$103,822,805. This increases the levelized revenue requirement over the reservation period by \$17,897,845 to a total of \$348,015,064. This consists of \$107,047,304 Depreciation expense, \$129,794,652 Interest expense, and \$111,173,108 Carrying Cost expense for revenue requirements for the Network Upgrades. The average rate based on this total estimated cost of Network Upgrades is \$7,250/MW/Month over the entire term. This equates to an average of \$1,450,063 per month for the 200 MW request. By accounting for only interest and other indirect costs over the term of Transmission Service, the average indirect cost multiplier is 3.35 over the entire term.

The projected base rate transmission service charges (excluding charges for ancillary services) are \$66,240,000 during the reservation period based on the ATC of the existing transmission system with Network Upgrades. The Transmission Customer is required to pay the higher of either the base rate transmission service charges or the revenue requirements associated with the Network Upgrades. The total estimated revenue requirements for providing the necessary Network Upgrades (utilizing a HVDC tie) to accommodate the Transmission Service request are \$330,117,120. As the estimated base rate transmission service charges are [less] than the total estimated revenue requirements for Network Upgrades, the Transmission Customer shall pay the revenue requirements associated with the Network Upgrades.

The total estimated revenue requirements of the Transmission Customer on a monthly basis are listed in [Table 7](#). A list of the average annual Transmission Service costs is in [Table 8](#). A

summary of all costs is included in [Table 10](#). The total estimated cost is \$330,117,120. The average rate based on this total estimated cost is \$6,877/MW/Month over the entire term.

If a unconditional and irrevocable letter of credit associated with the engineering and construction of assigned Network Upgrades, in the amount of either \$98,802,855 for asynchronous network interconnection equipment with associated AC transmission system upgrades; or \$48,439,450 for AC transmission upgrades only required for this request with the installation of asynchronous network interconnect equipment at EDDY by a third party is received by the Transmission Provider on or before March 22, 2005, Firm Point-To-Point Transmission Service may be provided on approximately April 1, 2009 given no unexpected delays in design, permitting, and construction. The upgrade of constraints identified in the corresponding Impact Study may not be completed until after the start-date of the requested Transmission Service due to lead times for engineering & construction.

The Transmission Provider must receive an unconditional and irrevocable letter of credit, in the amount of either \$98,802,855 for asynchronous network interconnection equipment with associated AC transmission system upgrades; or \$48,439,450 for AC transmission upgrades only with third party provision of interconnection equipment required for this service, before the Transmission Owners incur initial engineering and construction costs. This amount is for all assignable Network Upgrades less pre-payment requirements. The amount of the letter of credit will be adjusted on an annual basis to reflect amortization of these costs. [Table 9](#) includes the required annual amounts. Also, this study provides no assurance of the availability of transmission capacity or the adequacy of existing or planned transmission facilities for Transmission Service in excess of this allocated capacity.

Introduction

The principal objective of this Facilities Study is to identify the costs of Network Upgrades that must be added or modified to provide the requested Transmission Service while maintaining a reliable transmission system. This study includes a good faith estimate of the Transmission Customer's assigned cost for the required Network Upgrades and the time required to complete such construction and to initiate the requested service. No Direct Assignment facilities are included in this study as none were identified to provide the requested Transmission Service.

Another objective is to estimate the levelized revenue requirement for all identified Network Upgrades by Transmission Owner. The levelized revenue requirement is based on cost components of each upgrade including depreciation, weighted cost of capital, composite income tax, other tax, and deferred income tax credit. This information will be used to allocate revenue to Transmission Owners even if it is not the basis for billing the Transmission Customer pursuant to “or” pricing.

Facilities identified as limiting the requested Transmission Service have been reviewed to determine the required in-service date of each Network Upgrade. The year that each Network Upgrade is required to accommodate a request is determined by interpolating between the applicable model years given the respective loading data. Both previously assigned facilities and the facilities assigned to this request for Transmission Service were evaluated.

In some instances due to lead times for engineering and construction, Network Upgrades may not be available when required to accommodate a request for Transmission Service. When this occurs, the ATC with available Network Upgrades will be less than the capacity requested during either a portion of or all of the requested reservation period. As a result, the lowest seasonal ATC within each annual period will be offered to the Transmission Customer on an applicable annual basis within the reservation period.

A corresponding Impact Study was completed that identified facility overloads and voltage violations required modifications of the Transmission Provider system necessary to provide the specified Transmission Service. The Network Upgrades that were not assigned to a previous request and are required to provide the specified Transmission Service are listed in [Table 1](#). Due to the in-service dates of these Network Upgrades, some may limit and delay the requested Transmission Service. The ATC values associated with only transfer-limiting upgrades are listed in [Table 3](#).

All Network Upgrades assigned to previous Transmission Service requests that have not yet been constructed were monitored to determine whether the previously assigned upgrades are adequate to support this additional request. To accommodate a new request for Transmission Service, a previously assigned Network Upgrade may require capacity in addition to that

previously specified. A previously assigned Network Upgrade may be required to be in service at an earlier date than previously indicated to accommodate a new request. With regard to the capacity and in-service date of a previously assigned Network Upgrade, an upgrade may require both additional capacity and an earlier in-service date to accommodate this request for Transmission Service.

Some constraints identified in the Impact Study are not addressed in this Facilities Study as the Transmission Owners determined that upgrades are not required due to various reasons. These facilities are listed in [Table 2](#). This table also includes facility overloads and voltage violations in the current planning horizon that limit the rollover rights of the Transmission Customer.

Given the estimated dates when Network Upgrades will be required for the specified Transmission Service to be provided, there are facility limits that may either delay the start date of the service or limit the ATC to less than that requested. Transfer-limiting facilities are listed in [Table 3](#). Seasonal and annual transfer limits given engineering and construction lead times are also listed in this table. A summary of ATC throughout the reservation period is included in [Table 4](#).

The Transmission Provider does not accept requests for firm Transmission Service without restrictions if the design criteria specified in the corresponding Impact Study are not met. However, the Transmission Provider may accept a request with either or both of the following: 1) a reduction of provided capacity to designated levels within the specified time frames, and 2) a deferral of service, as listed in [Table 4](#). The Transmission Provider accepts this request for Transmission Service given this allocation of capacity of 200 MW which is available beginning April 1, 2009. Thereafter, the specified capacity throughout the remainder of the requested 20 year reservation period through April 1, 2029 is available to accommodate the Transmission Service.

[Tables 3](#) through 8 include lists of capacity of which may be less than that requested through the reservation period. [Table 5](#) includes the ATC and the estimate of base rate transmission service charges. The ATC and the estimate of levelized revenue requirements plus any pre-payments for Network Upgrade are provided in [Table 6](#). The Transmission Customer shall pay the higher of

the base rate transmission service charges or the revenue requirements for the Network Upgrades.

Third-Party Facilities

All modeled facilities within the Transmission Provider system were monitored during the development of the corresponding Impact Study. Third-party facilities must be upgraded when it is determined that they are overloaded while accommodating the requested Transmission Service. No third-party facilities were identified in the impact study as being impacted by this reservation. Third-party facilities include those owned by members of the Transmission Provider who have not placed their facilities under the Transmission Provider's OATT.

Financial Methodology

The revenue requirements associated with each assigned Network Upgrade is calculated using the estimated installed cost for each Network Upgrade reflected herein and the annual fixed charge rate of the constructing Transmission Owner. A present worth analysis is conducted, based on each Transmission Owner's annual fixed charge rates including weighted cost of capital, to determine the levelized revenue requirement of each Network Upgrade. The levelized revenue requirements of all applicable Network Upgrades are summed to determine the total revenue requirements for Network Upgrades associated with the Transmission Service request.

Each request for Transmission Service is evaluated independently as the cost associated with each Network Upgrade is assigned to a request. For new facilities, the Transmission Customer shall pay the total cost through the reservation period including engineering and construction costs and other annual operating costs. When facilities are upgraded throughout the reservation period, the Transmission Customer shall 1) pay the total engineering and construction costs and other annual operating costs associated with the new facilities, and 2) receive credits associated with the depreciated book value of removed usable facilities, salvage value of removed non-usable facilities, and the carrying charges, excluding depreciation, associated with all removed usable facilities based on their respective book values.

The amortization period for Network Upgrades and Direct Assignment facilities shall be the lesser of 1) the reservation period, or 2) the period between the completion of construction within the reservation period and the end of the reservation period. The annual fixed charge rate for each Transmission Owner shall be based on the sum of expenses for a previous calendar year, including weighted cost of capital, composite income tax, other tax, and deferred income tax credit, divided by the plant investment for the same year.

Categories of costs and credits associated with Network Upgrades and Direct Assignment facilities shall include 1) amortized engineering and construction costs associated with the new facilities, 2) annual carrying charges, excluding depreciation, based on the product of a) applicable gross and net engineering and construction costs associated with the new facilities, and b) annual fixed charge rate (per-unit), 3) amortized existing facility credit associated with the replaced facilities including the sum of the depreciated book values of only the reusable facilities within the respective remaining depreciation periods, 4) the salvage value credit of non-usable facilities, 5) annual carrying charge credits, excluding depreciation, based on the product of a) applicable gross and net book values associated with all replaced usable facilities, and salvage value of non-usable, and b) annual fixed charge rate (per-unit). The costs allocated to the Transmission Customer throughout the entire reservation period shall be the sum of the levelized present worth of each of the identified cost and credit components based on each Transmission Owner's weighted cost of capital.

In the event that the engineering and construction of a previously assigned Network Upgrade may be expedited, with no additional upgrades, to accommodate a new request for Transmission Service, then the levelized present worth of only the incremental expenses though the reservation period of the new request, excluding depreciation, shall be assigned to the new request. These incremental expenses, excluding depreciation, include 1) the levelized difference in present worth of the engineering and construction expenses given the change in date to complete construction to account for additional interest expense and reduced engineering and construction expense due to inflation, 2) the levelized present worth of all expediting fees, and 3) the levelized present worth of the incremental annual carrying charges, excluding depreciation and interest, during the new reservation period taking into account both a) the reservation in which the project was originally assigned, and b) a reservation, if any, in which the project was previously expedited.

If the capacity of a previously assigned Network Upgrade is insufficient to accommodate a new request for Transmission Service, expediting the upgrade may be needed, and sufficient time is available for the Transmission Owner to accomplish necessary re-design and construction of the upgrade with additional capacity while accommodating previous requests, then the levelized present worth of only the incremental expenses though the reservation period of the new request, including depreciation, shall be assigned to the new request. These incremental expenses include 1) if expediting, the levelized difference in present worth of the previously assigned engineering and construction expenses given the change in date to complete construction to account for additional interest expense and reduced engineering and construction expense due to inflation, 2) if expediting, the levelized present worth of all expediting fees, 3) the levelized present worth of the incremental annual carrying charges associated with the previously assigned upgrade, excluding depreciation and interest, during the new reservation period taking into account both a) the reservation in which the project was originally assigned, and b) a reservation, if any, in which the project was previously expedited, and 4) the levelized present worth of the incremental annual carrying charges, including depreciation, associated with the additional capacity though the reservation period of the new request.

A Transmission Owner may require that a Transmission Customer pre-pay for all assignable Network Upgrades which it designs and constructs. These pre-payments are the Transmission Owner's estimated engineering and construction costs. Pre-payments will be required prior to the scheduled in-service dates. Pre-payment dates and costs, if applicable, are listed in Table 1.

The Southwestern Power Administration is the only Transmission Owner that requires these pre-payments. In the event that a previously assigned Network Upgrade is expedited, then the Transmission Customer requiring the expediting will make the pre-payment prior to the new in-service date. When the Transmission Customer with the earlier reservation, which the Network Upgrade was previously assigned to, submits its pre-payment, the Transmission Provider will immediately reimburse the Transmission Customer requiring the expediting in the amount of the pre-payment.

Financial Analysis

The zone interfaced to the sink with the lowest zonal rate for Firm Point-To-Point Transmission Service is the [Southwestern Public Service Company (SWPS)]. The current zonal rate of SWPS is \$1380/MW-Month. [Table 6](#) includes a summary of ATC values with all assigned Network Upgrades energized by the Date In Service specified in [Table 3](#). Given the lesser of these values of ATC and the requested capacity, corresponding base rate transmission service charges are listed on a monthly basis in [Table 5](#). The base rate transmission service charges for the Transmission Service are estimated to be \$66,240,000.

The estimate of total revenue requirements for the required Network Upgrades throughout the reservation period is determined on a levelized basis. A Transmission Owner may require that a Transmission Customer pre-pay for all assignable Network Upgrades which it designs and constructs in the amount of estimated engineering and construction costs. Pre-payment dates and costs are listed in [Table 1](#) with a total cost of \$0.

The sum of the estimated monthly revenue requirements listed in [Table 6](#) for the required Network Upgrades throughout the reservation period is \$330,117,120. These monthly revenue requirements include pre-payment requirements for a Transmission Owner's engineering and construction costs. The estimated revenue requirements for the required Network Upgrades are greater than the projected base rate transmission service charges over the specified reservation period. Therefore, the Transmission Customer will be responsible for the revenue requirements associated with the Network Upgrades of which are estimated to be \$330,117,120 throughout the reservation period.

The total estimated revenue requirements of the Transmission Customer on a monthly basis are listed in [Table 7](#). A list of the average annual Transmission Service costs is in [Table 8](#). A summary of all costs is included in [Table 10](#).

The Transmission Provider and the affected Transmission Owners shall use due diligence to add necessary facilities or upgrade the Transmission System to provide the requested Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27 of the Open Access Transmission Tariff. Partial Interim Service is available per Section 19.7 of the Open Access Transmission Tariff.

Engineering and construction of all new facilities and modifications will not start until after an executed Service Agreement has been received by the Transmission Provider and the affected Transmission Owners receive the appropriate authorization to proceed from the Transmission Provider. In accordance with section 19.4 of the Open Access Transmission Tariff, the Transmission Customer shall provide an unconditional and irrevocable letter of credit to the Transmission Provider for the initial engineering and construction costs to be incurred by the Transmission Owners in the amount of either \$98,802,855 for asynchronous network interconnection equipment with associated AC transmission system upgrades; or \$48,439,450 for AC transmission upgrades only required for this service with asynchronous network interconnection equipment installed by a third party. This amount is for all assignable Network Upgrades less pre-payment requirements. The Transmission Customer shall also maintain a letter of credit in effect during the term of the Transmission Service Agreement. The amount of the letter of credit will be adjusted on an annual basis to reflect amortization of these costs. [Table 9](#) includes the required annual amounts. This amount does not include or offset other letters of credit or deposits as may be required under the tariff.

Conclusion

Given the constraints identified in the corresponding Impact Study, estimated engineering and construction costs in addition to lead times for construction of Network Upgrades are provided. These estimated costs are for facilities required to provide the requested Transmission Service. The lead times do not include any allowances for possible delays due to outage conflicts during construction, conflicts with construction during the summer peak, engineering and construction manpower constraints, etc. The lead times are based on when the Transmission Provider notifies the Transmission Owners to proceed with the necessary projects.

Based on the results of the corresponding Impact Study, Network Upgrades that were identified as required to provide the requested Transmission Service are listed in [Table 1](#). [Table 1](#) includes the Network Upgrades and costs assigned to the Transmission Customer to accommodate its Transmission Service Request.

Throughout the reservation period of the specified Transmission Service, the estimate of the levelized revenue requirements for the required Network Upgrades is \$330,117,120 for

Transmission Service Request 628572, 628573, 628574, and 628575. ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC on an annual basis. A listing of ATC values and monthly revenue requirements for the required Network Upgrades is in [Table 6](#). The base rate transmission service charges are estimated to be \$66,240,000 and the monthly revenue requirements are listed in [Table 5](#). As the base rate transmission service charges are less than the revenue requirements for the required Network Upgrades, the revenue requirements from the Transmission Customer are for those associated with the Network Upgrades. The total estimated revenue requirement is listed in [Table 7](#) in the amount of \$330,117,120. Total engineering and construction cost estimates for required third-party facility upgrades are \$0.

Annual available transfer capability (ATC) allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period. For the development of this study, a contract date of 4/1/2005 was assumed. Allocated ATC and associated revenue requirements are based on this request being complete by this date. The ATC for the SPS to EDDY request was assumed to be 0 MW. Per the customer, any remaining transmission capacity to EDDY not reserved during the 6/1/2008 to 6/1/2028 service period was assumed to be reserved with a POR of SPS, based on the requested service being a request to expand the EDDY DC Tie capacity by 200 MW. The ATC during the term of service is summarized in [Table 4](#).

To complete the request for Transmission Service, the Transmission Provider must receive from the Transmission Customer within 15 days of receipt of this study an unconditional and irrevocable letter of credit associated with the engineering and construction of assigned Network Upgrades. The Transmission Customer must also confirm this request on the Transmission Provider's OASIS pursuant to the results of this Facilities Study. Upon receipt of these items and confirmation by the Transmission Customer, the Transmission Provider will authorize the applicable Transmission Owners to proceed with the engineering and construction of the Network Upgrades assigned to this request.

In the event that Transmission Customers do not confirm other requests for Transmission Service that have previously assigned Network Upgrades, the assignment of applicable Network Upgrades will need to be reevaluated.

Table 1
Assigned Network Upgrades

Facility & Network Upgrade	Transmission Owner	Engineering & Construction Costs (\$)	Eng. & Const. Lead Time (Months)	Const. Only Lead Time (Months)	Date Needed (M/D/Y)	Scheduled Date In Service (M/D/Y)	Pre-Payment Date (M/D/Y)
OPTION 1. Eddy Co. 200 MW Variable Frequency Transformer 345kv 3 Breaker-Ring Bus at a new Eddy Co. Tap Substation w/ reactor. Relay modifications at Eddy Co. on 345kV terminal. Relay Modifications at Tolk for new 345kV terminal. 2000 ' 345 kV line from new converter/west side to new west 345kV. Communications/EMS Additions.	SPS	55,363,405	48		6/1/2008	4/1/2009	
OPTION 2. Eddy Co 200 MW Back to Back HVDC 345kv 3 Breaker-Ring Bus at a new Eddy Co. Tap Substation w/ reactor. Relay modifications at Eddy Co. on 345kV terminal. Relay Modifications at Tolk for new 345kV terminal. 2000 ' 345 kV line from new converter/west side to new west 345kV. Communications/EMS Additions.	SPS	50,363,405	48		6/1/2008	4/1/2009	
AC UPGRADES							
Chaves County Interchange - New Substation 345 kV Build a new 57 mile 345 kV line from Chaves County Interchange to a New Substation, on the Tolk to EDDY 345 kV line, which requires two 345 kV terminals and a 345/230 kV transformers.	SPS	26,139,450	22	9	6/1/2011	6/1/2011	
Chaves County Interchange-230/115kV Transformer Ckt 2. Replace with 250 MVA Transformer	SPS	1,800,000	17	1.5	6/1/2013	6/1/2013	
Chaves County Interchange 230 kV Chaves County Interchange 230 kV Add 50 MVAR to bus.	SPS	1,200,000	14	2.5	6/1/2008	4/1/2009	
Chaves County Interchange 230 kV Add +150/-50 SVC at Chaves County Interchange 230 kV bus	SPS	10,400,000	18	4	6/1/2008	4/1/2009	
Eddy County Interchange 230 kV Add 50 MVAR at Capacitor Bank Eddy County Interchange 230 kV bus	SPS	950,000	14	2	6/1/2008	4/1/2009	

Table 1 Continued
Assigned Network Upgrades

Facility & Network Upgrade	Transmission Owner	Engineering & Construction Costs (\$)	Eng. & Const. Lead Time (Months)	Const. Only Lead Time (Months)	Date Needed (M/D/Y)	Scheduled Date In Service (M/D/Y)	Pre- Payment Date (M/D/Y)
HAPPY INTERCHANGE - PALODU 115KV Rebuild 24 miles of 115 kV circuit with 397 ACSR on T-0-102 structures.	SPS	3,130,000	11.0	7.0	6/1/2009	6/1/2009	
MUSTANG STATION 230/115KV TRANSFORMER Replace with 250 MVA Transformer	SPS	2,000,000	14.0	2.0	6/1/2015	6/1/2015	
PALODU - RANDALL COUNTY INTERCHANGE 115KV Rebuild 9 miles of 115 kV circuit with 397 ACSR on T-0-102 structures.	SPS	1,170,000	11.0	7.0	6/1/2009	6/1/2009	
Potash Junction Interchange 115 kV Add 2-14.4 MVAR Cap Banks at Potash Junction Interchange 115 kV bus	SPS	750,000	12.0	2.5	6/1/2008	4/1/2009	
Roosevelt County Interchange 115 kV Add 2-14.4 MVAR Capacitor Banks at Roosevelt County Interchange 115 kV bus	SPS	900,000	12.0	2.5	6/1/2015	6/1/2015	
Total of AC Transmission Assigned Upgrades	SPS	48,439,450					

Note: Pre-payment dates are only specified when applicable.

**Table 2
Facilities Requiring No Upgrades Or Limiting Rollover Rights**

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
ARTESIA INTERCHANGE	SPS	Not a Load Serving Bus	
BRASHER3	SPS	Relieved or Impact Removed by Selected Upgrades	
CANNON A. F. B.	SPS	Relieved or Impact Removed by Selected Upgrades	
CAPITAN2	SPS	Relieved or Impact Removed by Selected Upgrades	
CARLSBAD PLANT	SPS	Not a Load Serving Bus	
CHAVES COUNTY INTERCHANGE	SPS	Not a Load Serving Bus	
Contingency Solution Not Converged EDDY COUNTY INTERCHANGE - TOLK INTERCHANGE 345KV, 51440 TOLK7 345 to 52186 EDDYCO7 345 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged EDDY COUNTY INTERCHANGE 345/230KV TRANSFORMER, 52185 EDDYCO 6230 to 52186 EDDYCO7 345 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	

Table 2 (continued)

Facilities Requiring No Upgrades Or Limiting Rollover Rights

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
Contingency Solution Not Converged TOLK INTERCHANGE 345/230KV TRANSFORMER, 51439 TOLKTP6 230 to 51440 TOLK7 345 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged OPEN LINE FROM BUS 51440 [TOLK7 345.00] TO BUS 52186 [EDDYCO7 345.00] CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged OPEN LINE FROM BUS 52185 [EDDYCO 6230.00] TO BUS 52186 [EDDYCO7 345.00] CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged OPEN LINE FROM BUS 52185 [EDDYCO 6230.00] TO BUS 52186 [EDDYCO7 345.00] TO BUS 52187 [EDDYCO 113.200] CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	

**Table 2 (continued)
Facilities Requiring No Upgrades Or Limiting Rollover Rights**

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
Contingency Solution Not Converged AMARILLO S INTERCHANGE - NICHOLS STATION 230KV, 50915 NICHOL6 230 to 51041 AMARLS6 230 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged CHAVES COUNTY INTERCHANGE - OASIS INTERCHANGE 230KV, 51195 OASIS6 230 to 52073 CHAVES6 230 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged TOLK INTERCHANGE 345/230/13.2KV TRANSFORMER, 51438 TOLK 113.2 to 51440 TOLK7 345 to 51439 TOLKTP6 230 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged CUNNINGHAM STATION - EDDY COUNTY INTERCHANGE 230KV, 52185 EDDYCO 6230 52209 CUNNINH6230 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	

Table 2 (continued)
Facilities Requiring No Upgrades Or Limiting Rollover Rights

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
Contingency Solution Not Converged EDDY COUNTY INTERCHANGE 345/230/13.2KV TRANSFORMER, 52185 EDDYCO 6230 to 52186 EDDYCO7 345 to 52187 EDDYCO 113.2 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged CUNNINGHAM STATION - POTASH JUNCTION INTERCHANGE 230KV, 52209 CUNNINH6230 to 52253 POTJCT6 230 CKT 1	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged REMOVE UNIT 1 FROM BUS 51441 [TOLK1 124.000] DISPATCH, REMOVE UNIT 1 FROM BUS 51441 [TOLK1 124.000] DISPATCH	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	

**Table 2 (continued)
Facilities Requiring No Upgrades Or Limiting Rollover Rights**

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
Contingency Solution Not Converged REMOVE UNIT 1 FROM BUS 51442 [TOLK2 124.000] DISPATCH, REMOVE UNIT 1 FROM BUS 51442 [TOLK2 124.000] DISPATCH	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
Contingency Solution Not Converged REMOVE UNIT 1 FROM BUS 52212 [CUNN2 120.000] DISPATCH, REMOVE UNIT 1 FROM BUS 52212 [CUNN2 120.000] DISPATCH	SPS	Contingency Solution Converged with Selected Upgrades, No Limitations Identified	
CUNNINGHAM STATION	SPS	Not a Load Serving Bus	
CURRY COUNTY INTERCHANGE - ROOSEVELT COUNTY INTERCHANGE 115KV CKT 2	SPS	Conductor Limited, Impact Removed by Selected Upgrades (Calc 10SP 97.0%)	
CV-PINE2	SPS	Relieved or Impact Removed by Selected Upgrades	
EDDY COUNTY DC	SPS	Relieved or Impact Removed by Selected Upgrades	
EDDY COUNTY INTERCHANGE	SPS	Relieved or Impact Removed by Selected Upgrades	
FE-CLVS3	SPS	Relieved or Impact Removed by Selected Upgrades	
FE-HOLLAND	SPS	Relieved or Impact Removed by Selected Upgrades	
FIESTA3	SPS	Relieved or Impact Removed by Selected Upgrades	

**Table 2 (continued)
Facilities Requiring No Upgrades Or Limiting Rollover Rights**

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
FRIONA - HEREFORD INTERCHANGE 115KV	SPS	Conductor Limited, Relieved by Selected Upgrades (Calc 10SP 97.5%)	
LEA COUNTY INTERCHANGE	SPS	Not a Load Serving Bus	
LVNG&NA2	SPS	Relieved or Impact Removed by Selected Upgrades	
MUSTANG STATION 230/115KV TRANSFORMER	SPS	Loss of Combustion Turbine at a Combined-Cycle Plant, Redispatch of Steam Unit on 230 kV will Relieve Loading	
NCANALT3	SPS	Relieved or Impact Removed by Selected Upgrades	
OASIS INTERCHANGE	SPS	Relieved or Impact Removed by Selected Upgrades	
PECOS INTERCHANGE	SPS	Not a Load Serving Bus	
PNM BLACKWATER DC	SPS	Not a Load Serving Bus	
POTASH JUNCTION INTERCHANGE	SPS	Relieved or Impact Removed by Selected Upgrades	
PRICE2	SPS	Relieved or Impact Removed by Selected Upgrades	
ROOSEVELT COUNTY INTERCHANGE	SPS	Not a Load Serving Bus	
ROOSEVELT COUNTY INTERCHANGE - TOLK INTERCHANGE 230KV CKT 1	SPS	Conductor Limited, Relieved by Selected Upgrades (Calc 10SP 98.4%)	
ROOSEVELT COUNTY INTERCHANGE 230/115KV TRANSFORMER	SPS	Transformer Limited, Relieved by Selected Upgrades (Calc 10SP 99.9%)	
ROSWELL INTERCHANGE	SPS	Not a Load Serving Bus	
ROSWLC3	SPS	Not a Load Serving Bus	
SAMSON3	SPS	Relieved or Impact Removed by Selected Upgrades	
SEVEN RIVERS INTERCHANGE	SPS	Not a Load Serving Bus	
URTON3	SPS	Relieved or Impact Removed by Selected Upgrades	

Table 2 (continued)
Facilities Requiring No Upgrades Or Limiting Rollover Rights

Facility	Transmission Owner	Reason For No Upgrade	Reservation Rollover Limit In Planning Horizon Where Applicable (M/D/Y)
WCLOVI3	SPS	Relieved or Impact Removed by Selected Upgrades	
WHITEC2	SPS	Relieved or Impact Removed by Selected Upgrades	

**Table 3
Facilities That Limit Transmission Service
And Have Network Upgrades Assigned To This Reservation**

Facility & Network Upgrade, Plus Summary Of Restricted Operating Period	Trans. Owner	ATC (MW)	Impact Study (Model)	Upgrade Needed (M/D/Y)	Eng. & Const. Lead (Month)	Const. Lead Only (Month)	Possible (1)		Scheduled
							Date Available (M/D/Y)	Delay (Mont h)	In Service (2) (M/D/Y)
OPTION 1. New Eddy Co. 200 MW Variable Frequency Transformer. 345kv 3 Breaker-Ring Bus at a new Eddy Co. Tap Substation w/ reactor. Relay modifications at Eddy Co. on 345kV terminal. Relay Modifications at Tolk for new 345kV terminal. 2000 ' 345 kV line from new converter/west side to new west 345kV. Communications/EMS Additions.	SPS			6/1/2008	48		4/1/2009	9.5	4/1/2009
OPTION 2. New Eddy Co 200 MW Back to Back HVDC 345kv 3 Breaker-Ring Bus at a new Eddy Co. Tap Substation w/ reactor. Relay modifications at Eddy Co. on 345kV terminal. Relay Modifications at Tolk for new 345kV terminal. 2000 ' 345 kV line from new converter/west side to new west 345kV. Communications/EMS Additions.	SPS			6/1/2008	48		4/1/2009	9.5	4/1/2009
Chaves County Interchange - New Substation 345 kV Build a new 57 mile 345 kV line from Chaves County Interchange to a New Substation, on the Tolk to EDDY 345 kV line, which requires two 345 kV terminals and a 345/230 kV transformers.	SPS			6/1/2011	22	9	1/13/2007		6/1/2011
Chaves County Interchange-230/115kV Transformer Ckt 2. Replace with 250 MVA Transformer	SPS	85	07SP	6/1/2013	17.0	1.5	10/30/2006		6/1/2013

**Table 3 Continued
Facilities That Limit Transmission Service
And Have Network Upgrades Assigned To This Reservation**

Facility & Network Upgrade, Plus Summary Of Restricted Operating Period	Trans. Owner	ATC (MW)	Impact Study (Model)	Upgrade Needed (M/D/Y)	Eng. & Const. Lead (Month)	Const. Lead Only (Month)	Possible (1)		Scheduled
							Date Available (M/D/Y)	Delay (Mont h)	In Service (2) (M/D/Y)
Chaves County Interchange 230 kV Chaves County Interchange 230 kV Add 50 MVAR to bus.	SPS			6/1/2008	14.0	2.5	5/15/2006		4/1/2009
Chaves County Interchange 230 kV Add +150/-50 SVC at Chaves County Interchange 230 kV bus	SPS			6/1/2008	18.0	4.0	1/14/2007		4/1/2009
Eddy County Interchange 230 kV Add 50 MVAR at Capacitor Bank Eddy County Interchange 230 kV bus	SPS			6/1/2008	14.0	2.0	5/15/2006		4/1/2009
HAPPY INTERCHANGE - PALODU 115KV Rebuild 24 miles of 115 kV circuit with 397 ACSR on T-0-102 structures.	SPS	168	10SP	6/1/2009	11.0	7.0	2/12/2006		6/1/2009
MUSTANG STATION 230/115KV TRANSFORMER Replace with 250 MVA Transformer	SPS	107	15SP	6/1/2015	14.0	2.0	5/15/2006		6/1/2015
PALODU - RANDALL COUNTY INTERCHANGE 115KV Rebuild 9 miles of 115 kV circuit with 397 ACSR on T-0-102 structures.	SPS	128	10SP	6/1/2009	11.0	7.0	2/12/2006		6/1/2009
Potash Junction Interchange 115 kV Add 2-14.4 MVAR Cap Banks at Potash Junction Interchange 115 kV bus	SPS			6/1/2008	12.0	2.5	4/1/2006		4/1/2009

**Table 3 Continued
Facilities That Limit Transmission Service
And Have Network Upgrades Assigned To This Reservation**

Facility & Network Upgrade, Plus Summary Of Restricted Operating Period	Trans. Owner	ATC (MW)	Impact Study (Model)	Upgrade Needed (M/D/Y)	Eng. & Const. Lead (Month)	Const. Lead Only (Month)	Possible (1)		Scheduled
							Date Available (M/D/Y)	Delay (Mont h)	In Service (2) (M/D/Y)
Roosevelt County Interchange 115 kV Add 2-14.4 MVAR Capacitor Banks at Roosevelt County Interchange 115 kV bus	SPS			6/1/2015	12.0	2.5	4/1/2006		6/1/2015

- Note: (1) Some existing facilities may not be taken out of service during the summer peaking period. When a facility may not be taken out of service and the projected completion of a Network Upgrade is between either a) June 1 and September 15, or b) September 15 and the date when construction ends given construction starts September 15, then the construction time is added to September 15. However, the Possible Date Available is limited to June 1 of the following year. Delay is the difference of the Possible Date Available and the Upgrade Needed date for this reservation.
- (2) The Scheduled In Service date is based on when continuous annual service may be started that is on or after the Possible Date Available. If N/A, then the facility upgrade/addition is not required, due to its lead time for engineering and construction, as a) continuous annual service above the ATC limit may be provided only after the requested reservation period, or b) the facility is not required at a later time within the reservation period due to reduced loading of the facility below its emergency rating. The Scheduled In Service date may be later than the Possible Date Available when either a) another facility with a lower value of associated ATC has a longer Engineering & Construction Lead time, or b) the start of the season, in which the Network Upgrade is required, is later than the Possible Date Available. The Scheduled In Service date is based on items received by an assumed date as documented in this study including a) a signed Service Agreement and letter of credit received by the Transmission Provider, and b) authorization to proceed with engineering and construction received by the Transmission Owners from the Transmission Provider.

Impact Study Models Example Season Designation: From Date – To Date (M/D/Y), Season Description

02AP: 4/1/02 – 6/1/02, Spring Minimum 02FA: 10/1/02 – 12/1/02, Fall Peak
02G: 4/1/02 – 6/1/02, Spring Peak 02WP: 12/1/02 – 4/1/03, Winter Peak
02SP: 6/1/02 – 10/1/02, Summer Peak

Table 4

Summary of Available Transfer Capability With Network Upgrades

Insufficient ATC (1)			Sufficient ATC		
Operating Period (Year)	Operating Period (M/D - M/D)	ATC (MW)	Operating Period (Year)	Operating Period (M/D - M/D)	ATC (MW)
2008	6/1– 12/31	0	2009	4/1	200
2009	1/1-4/1	0	2029	4/1	200

Note: Values of ATC are based on items received by April 1, 2005 including a letter of credit received by the Transmission Provider and authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period.

- (1) When the ATC is insufficient to provide the Transmission Customer with reliable service for a significant portion of the requested reservation period without impairing or degrading reliability to existing firm services, the Deferral of Service is applicable.
- (2) Allocated ATC to the Transmission Customer on an annual basis.

**Table 5
Base Rate Transmission Service Charges**

Operating Period (Month)	2009		2010		Intermediate Years 2011-2028		2029	
	ATC (MW)	Base Rate Revenues (\$)	ATC (MW)	Base Rate Revenues (\$)	ATC (MW)	Base Rate Revenues (\$)	ATC (MW)	Base Rate Revenues (\$)
January	NA	NA	200	276,000	200	4,968,000	200	276,000
February	NA	NA	200	276,000	200	4,968,000	200	276,000
March	200	NA	200	276,000	200	4,968,000	200	276,000
April	200	276,000	200	276,000	200	4,968,000	NA	NA
May	200	276,000	200	276,000	200	4,968,000	NA	NA
June	200	276,000	200	276,000	200	4,968,000	NA	NA
July	200	276,000	200	276,000	200	4,968,000	NA	NA
August	200	276,000	200	276,000	200	4,968,000	NA	NA
September	200	276,000	200	276,000	200	4,968,000	NA	NA
October	200	276,000	200	276,000	200	4,968,000	NA	NA
November	200	276,000	200	276,000	200	4,968,000	NA	NA
December	200	276,000	200	276,000	200	4,968,000	NA	NA
Subtotal By Year	\$2,484,000		\$3,312,000		\$59,616,000		\$828,000	
Total For All Years	\$66,240,000							

Note: Values of ATC are based on items received by April 1, 2005 including a letter of credit received by the Transmission Provider, and 2) authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period.

**Table 6
Network Upgrade Revenue Requirements**

Operating Period	2009		2010		2011		2012	
(Month)	ATC (MW)	Network Upgrade Revenues (\$)	ATC (MW)	Network Upgrade Revenues (\$)	ATC (MW)	Network Upgrade Revenues (\$)	ATC (MW)	Network Upgrade Revenues (\$)
January	NA	NA	200	1,375,488	200	1,375,488	200	1,375,488
February	NA	NA	200	1,375,488	200	1,375,488	200	1,375,488
March	200	NA	200	1,375,488	200	1,375,488	200	1,375,488
April	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
May	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
June	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
July	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
August	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
September	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
October	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
November	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
December	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
Subtotal By Year	\$12,379,392		\$16,505,856		\$16,505,856		\$16,505,856	

Note: Values of ATC are based on items received by April 1, 2005 including a letter of credit received by the Transmission Provider, and authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period. A Transmission Owner may require that a Transmission Customer pre-pay for all assignable Network Upgrades which it designs and constructs. These pre-payments are in the amount of the Transmission Owner's estimated engineering and construction costs. Applicable refunds are also included. The estimated monthly revenue requirements listed in this table include these pre-payments and refunds. All estimated monthly revenue requirements excluding pre-payments and refunds are \$330,117,120.

Table 6 (Continued)
Network Upgrade Revenue Requirements Including Pre-Payments

Operating Period	2013		2014		Intermediate Years 2015-2028		2029	
(Month)	ATC (MW)	Network Upgrade Revenues (\$)	ATC (MW)	Network Upgrade Revenues (\$)	ATC (MW)	Network Upgrade Revenues (\$)	ATC (MW)	Network Upgrade Revenues (\$)
January	200	1,375,488	200	1,375,488	200	19,256,832	200	1,375,488
February	200	1,375,488	200	1,375,488	200	19,256,832	200	1,375,488
March	200	1,375,488	200	1,375,488	200	19,256,832	200	1,375,488
April	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
May	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
June	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
July	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
August	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
September	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
October	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
November	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
December	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
Subtotal By Year	\$16,505,856		\$16,505,856		\$231,081,984		\$4,126,464	
Total For All Years	\$330,117,120							

Note: Values of ATC are based on items received by April 1, 2005, including a letter of credit received by the Transmission Provider and authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period. A Transmission Owner may require that a Transmission Customer pre-pay for all assignable Network Upgrades which it designs and constructs. These pre-payments are in the amount of the Transmission Owner's estimated engineering and construction costs. Applicable refunds are also included. The estimated monthly revenue requirements listed in this table include these pre-payments and refunds. All estimated monthly revenue requirements excluding pre-payments and refunds are \$330,117,120.

Table 7
Total Estimated Revenue Requirements

Operating Period	2009		2010		2011		2012	
(Month)	ATC (MW)	Revenue Requirements (\$)	ATC (MW)	Revenue Requirements (\$)	ATC (MW)	Revenue Requirements (\$)	ATC (MW)	Revenue Requirements (\$)
January	NA	NA	200	1,375,488	200	1,375,488	200	1,375,488
February	NA	NA	200	1,375,488	200	1,375,488	200	1,375,488
March	200	NA	200	1,375,488	200	1,375,488	200	1,375,488
April	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
May	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
June	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
July	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
August	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
September	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
October	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
November	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
December	200	1,375,488	200	1,375,488	200	1,375,488	200	1,375,488
Subtotal By Year	\$12,379,392		\$16,505,856		\$16,505,856		\$16,505,856	
Total For All Years								

Note: Values of ATC are based on items received by April 1, 2005 including a letter of credit received by the Transmission Provider, and authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period.

Table 7 (Continued)
Total Estimated Revenue Requirements

Operating Period	2013		2014		2015-2028		2029	
(Month)	ATC (MW)	Revenue Requirements (\$)	ATC (MW)	Revenue Requirements (\$)	ATC (MW)	Revenue Requirements (\$)	ATC (MW)	Revenue Requirements (\$)
January	200	1,375,488	200	1,375,488	200	19,256,832	200	1,375,488
February	200	1,375,488	200	1,375,488	200	19,256,832	200	1,375,488
March	200	1,375,488	200	1,375,488	200	19,256,832	200	1,375,488
April	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
May	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
June	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
July	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
August	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
September	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
October	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
November	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
December	200	1,375,488	200	1,375,488	200	19,256,832	NA	NA
Subtotal By Year	\$16,505,856		\$16,505,856		\$231,081,984		\$4,126,464	
Total For All Years	\$330,117,120							

Note: Values of ATC are based on items received by April 1, 2005 including a letter of credit received by the Transmission Provider and authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period.

Table 8
Annual Average Transmission Service Costs

Calendar Period (Year)	Maximum ATC (MW)	Average Of Allocated Monthly Peak ATC (MW)	Total Revenue Requirements (\$)	Average Transmission Service Cost (1) (2) (\$/MW-Month)
2009	200	200.00	\$12,379,392	6,877.44
2010	200	200.00	\$16,505,856	6,877.44
2011	200	200.00	\$16,505,856	6,877.44
2012	200	200.00	\$16,505,856	6,877.44
2013	200	200.00	\$16,505,856	6,877.44
2014	200	200.00	\$16,505,856	6,877.44
2015	200	200.00	\$16,505,856	6,877.44
2016	200	200.00	\$16,505,856	6,877.44
2017	200	200.00	\$16,505,856	6,877.44
2018	200	200.00	\$16,505,856	6,877.44
2019	200	200.00	\$16,505,856	6,877.44
2020-2028	200	200.00	148,552,704	6,877.44
2029	200	200.00	\$4,126,464	6,877.44
Total	200	200	\$330,117,120	6,877.44

Note: Values of ATC are based on items received by April 1, 2005, including a letter of credit received by the Transmission Provider and authorization to proceed with engineering and construction received by Transmission Owners from the Transmission Provider. Annual ATC allocated to the Transmission Customer is determined by the least amount of seasonal ATC within each year of a reservation period.

- (1) The average transmission service cost is based on the average of the monthly peak ATC within the calendar year.
- (2) If revenues are required of the Transmission Customer for Network Upgrade pre-payments and generation re-dispatching prior to the calendar year that includes the initial portion of the first operating year, then these costs are added to those in the first calendar year for the purpose of determining an Average Transmission Service Cost in the first calendar year. Therefore, all costs prior to and including the first calendar year, which includes all or the first portion of the first operating year, are accumulated for determining the Average Transmission Service Cost as listed for the first calendar year.

Table 9
Annual Letter Of Credit Requirements

Start Date (M/D/Y)	Annual Amount (\$)
Letter of Credit required for DC tie Option with network AC upgrades	
4/1/05	\$ 98,802,855.00
4/1/06	\$ 98,802,855.00
4/1/07	\$ 98,802,855.00
4/1/08	\$ 98,802,855.00
4/1/09	\$ 98,802,855.00
4/1/10	\$ 82,296,999.00
4/1/11	\$ 65,791,143.00
4/1/12	\$ 49,285,287.00
4/1/13	\$ 32,779,431.00
4/1/14	\$ 16,273,575.00
Letter of Credit required for AC Upgrades alone with 3rd Party installation of interconnection tie	
4/1/05	\$ 48,439,450.00
4/1/06	\$ 48,439,450.00
4/1/07	\$ 48,439,450.00
4/1/08	\$ 48,439,450.00
4/1/09	\$ 48,439,450.00
4/1/10	\$40,947,550.00
4/1/11	\$33,455,650.00
4/1/12	\$25,963,750.00
4/1/13	\$18,471,850.00
4/1/14	\$10,979,950.00
4/1/15	\$3,488,050.00

Table 10
Summary Of Transmission Service Costs

Cost Components & Descriptions	Units	
Start Date	(M/D/Y)	April 1, 2009
End Date	(M/D/Y)	April 1, 2029
Term	(Years)	20 years
Maximum Allocated Capacity	(MW)	200
Average Of Allocated Monthly Peak Capacity Over Term	(MW)	200.00
Pricing Methodology	(And/Or)	Or
Base Rate Estimate		
Total Revenue Requirements	(\$)	66,240,000
Average Rate Over Term	(\$/MW-Month)	1,380.00
Network Upgrade Estimate		
SPP Total Assigned Eng. & Const.	(\$)	98,802,855
Expedited Eng. & Const.	(\$)	0
Total Levelized Cost	(\$)	330,117,120
Average Rate Over Term	(\$/MW-Month)	6,877.44
Average Indirect Cost Multiplier (Based On Assigned Eng. & Const.)	(Per-Unit)	3.34
Network Upgrades Requiring Pre-Payment (Included In Assigned Eng. & Const)	(\$)	0
Total Assigned Eng. & Const. for Third-Party Network upgrades	(\$)	0
Generation Re-Dispatching Estimate As Required For Construction Only		
Total	(\$)	0
Average Rate Over Term	(\$/MW-Month)	0.00
Note: All Re-Dispatch Costs Require Pre-Payment		
Network Upgrade & Generation Re-Dispatching		
Total Levelized Cost	(\$)	330,117,120
Average Rate Over Term	(\$/MW-Month)	6,877.44
Total Transmission Service		
Total Estimate Of Allocable Levelized Costs	(\$)	330,117,120
Average Rate Over Term	(\$/MW-Month)	6,877.44