

**KS Electric
Transmission Authority**
KETA

November 17, 2010

*Representative
Carl Holmes,
Chairperson*

Interested Parties:

*Earnie Lehman,
Vice-Chairperson*

The Kansas Electric Transmission Authority (KETA) appreciates the support your organization has shown as KETA works "to ensure reliable operation of the electrical transmission system, diversify and expand the Kansas economy and facilitate consumption of Kansas energy through improvements in the state's electric transmission infrastructure" in the words of its Mission Statement.

*Tim McKee,
Secretary*

Senator Pat Apple

Les Evans

KETA is pleased that a number of projects it has studied and promoted are now either approved for construction, under construction or complete. These accomplishments could not have been achieved without the support of the Southwest Power Pool (SPP) as well as the utilities involved in each project.

*Representative
Annie Kuether*

Senator Janis Lee

Much work remains to be done. Over the last several months, in consultation with all stakeholders, KETA has concluded it must undertake a detailed study of potential new transmission construction as outlined in the attached summary. The SPP will soon complete its 20-year Integrated Transmission Plan (ITP-20) and will begin work on its first 10-year Integrated Transmission Plan (ITP-10), which is expected to result in approval for a number of new projects. It is vital that the new potential Kansas projects be included in this study. For that to occur, the study must be completed by early spring in 2011.

KETA has discussed with SPP staff its desire to have SPP conduct the study under the provisions of Attachment O of its FERC-approved tariff. In essence, Attachment O allows SPP to bill parties for studies conducted at their specific request. No money is required upfront, but progress payments must be made as the study progresses, usually in thirds.

KETA is writing you because it believes the study will cost between \$200,000 and \$300,000. KETA cannot shoulder costs of this magnitude by itself and believes that your organization may see enough tangible benefits from the study to warrant sharing in these costs. **Please respond to this letter with an indication of the maximum contribution your organization is willing to make in support of this study.** Of course, the study results will be fully available to you as well as the SPP staff.

It is important that we make our request to the SPP as soon as possible. Your commitment would not be binding until we make a written commitment to the SPP. Each contributor would be a party to that commitment.

Could you please respond to this letter by Friday, December 10? That date falls shortly before a key milestone in the ITP-20 process and is the right time to begin formal discussions with SPP staff.

Feel free to contact me if you have questions concerning this request.

Sincerely,

Carl D. Holmes, Chairperson
Kansas Electric Transmission Authority

Attachment

Study Scope – Benefit Analysis of Potential Transmission Projects

Purpose:

The purpose of the study is to assess the potential benefits of four potential transmission projects for the information of the Kansas Electric Transmission Authority. The potential projects to be studied, with the approximate routes to be followed, are:

1. Summit to Elm Creek 345 kV – addition of a 60 mile of 345 kV transmission line from the Summit Substation to the Elm Creek Substation along with the addition of a 345/230 kV transformer at Elm Creek.
2. Summit to Post Rock 345 kV – addition of a 110 mile 345 kV transmission line from the Summit Substation to the Post Rock Substation
3. Post Rock to Mingo to Burlington, Colorado – addition of a 100 mile 345 kV transmission line from Post Rock Substation to Mingo Substation, a 75 mile 345 kV transmission line from Mingo to Burlington, Colorado and addition of a ___ MW back-to-back HVDC converter station at Burlington.
4. Comanche to Stevens 345 kV – addition of a 110 mile 345 kV transmission line from Comanche to a substation in Stevens County, Kansas interconnecting with the existing Potter to Finney 345 kV transmission line.

Benefit Calculations:

The quantification of benefits should include the benefits to the Southwest Power Pool (“SPP”) region as a whole as well as the state of Kansas. Benefit metrics should be consistent with metrics being used by SPP as part of the Integrated Transmission Planning process. Metrics should include at least:

1. Adjusted production cost savings
2. Increased effective capacity factors measuring the benefit of adding transmission to reduce congestion on curtailed resources
3. Reduction in emissions

Transmission Topology:

Analysis should begin from the most recently approved SPP Transmission Expansion Plan (“STEP”) with the addition of the approved Priority Projects. Analysis should be performed for an intermediate load level (approximately 2015, based on available SPP models) and an ultimate load level (approximately 2020). Some assessment of appropriate transmission constraints for economic modeling will be required beyond use of existing NERC flowgates.

Wind Development Scenarios:

Total wind development in the SPP region should be modeled based on base case and renewable energy standard futures presently (approximately 11.5 and 18 GW total wind in SPP, respectively) being studied in SPP ITP process.

Other Modeling Assumptions:

Additional modeling assumptions should be discussed and approved as part of final study scoping process. To the extent these assumptions significantly affect study costs and timelines, contractor should specify assumptions used in developing proposal.

