



SPP *Southwest
Power Pool*

*System Impact Study
For Transmission Service
Requested to the ERCOT East HVDC
Tie at Welsh*

SPP Engineering, Tariff Studies

System Impact Study

To transmission customers who have requested long-term Firm Point-to-Point transmission service to the ERCOT East HVDC Tie at Welsh, the Southwest Power Pool cannot currently accommodate additional service to the ERCOT East HVDC Tie at Welsh. Service to the ERCOT East HVDC Tie at Welsh is sold-out until 1/1/2005 on a long-term firm basis up to the present 600 MW capacity of the HVDC Tie Facilities at Welsh.

In accordance with Section 19.4 of the Southwest Power Pool's Open Access Transmission Tariff, SPP is providing a Facilities Study Agreement to customers willing to subscribe to an increase in the capacity of the ERCOT East HVDC Tie at Welsh. The Facility Study will be performed initially to determine the cost of expanding the HVDC Tie at Welsh and will subsequently include required AC Transfer Analyses for SPP. Further studies to determine the adequacy of AC facilities in ERCOT will be coordinated with ERCOT. Interconnections into ERCOT have been built under special FERC orders. Because of the nature of any interconnection into ERCOT, more time may be required for permitting and regulatory approvals than a typical project. The Southwest Power Pool has no project schedule at this time. A proposed schedule will be provided in the Facilities Study.

To provide an idea of the estimated cost to expand the ERCOT East HVDC Tie at Welsh, AEPW previously determined, for System Impact Study SPP-2001-192, the costs to expand the ERCOT North HVDC Tie at Oklaunion by adding parallel capacity at different incremental levels to be:

\$21.25 million for 25-36 MW

\$22.5 million for 50 MW

\$32.5 million for 100 MW

\$35 million for 150 MW

Additional details of the expansion of the ERCOT North HVDC Tie at Oklaunion and estimates can be found in System Impact Study SPP-2001-192.

Execution of a Facility Study Agreement is now required to maintain queue position. The final upgrade solutions and cost assignments will be determined upon the completion of the facility study.