

BILL NO. 2019-101

ORDINANCE NO.

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA,
MISSOURI, AUTHORIZING THE MAYOR TO SIGN A CONTRACT
WITH SOUTHWEST POWER POOL, INC. FOR NETWORK
INTEGRATION TRANSMISSION SERVICE**

WHEREAS, ARTICLE II, Section 2.1 of the Home Rule Charter of the City of Nixa, Missouri provides the City of Nixa all powers of the General Assembly of the State of Missouri have authority to confer upon any City, provided such powers are consistent with the Constitution of the state of Missouri and are not limited or denied by the City of Nixa’s Charter or by statute; and

WHEREAS, the Southwestern Power Pool, Inc. (“SPP”) and the Southwestern Power Administration (“Southwestern”) own certain electric transmission facilities; and

WHEREAS, SPP and Southwestern have entered into an agreement which authorizes SPP to: 1) utilize Southwestern’s transmission facilities under SPP’s Open Access Transmission Tariff (“Tariff”), as filed with the Federal Energy Regulatory Commission, for services offered by SPP, and 2) perform certain administrative duties pursuant to the SPP Tariff; and

WHEREAS, The City of Nixa has made a request for Network Integration Transmission Service in accordance with SPP’s Tariff filed with the Commission; and

WHEREAS, Southwestern owns the transmission facilities to which Nixa’s Network Load is physically connected; and

WHEREAS, the City of Nixa and SPP wish to formalize the agreement between the parties related to Network Integration Transmission Service.

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NIXA,
MISSOURI, AS FOLLOWS:**

Section I: That the Mayor is hereby authorized and directed to sign a contract with Southwest Power Pool, Inc. for Network Integration Transmission Service, a copy of which is attached hereto and incorporated herein by reference.

Section II: All ordinances or portions of ordinances in conflict with this ordinance are hereby repealed.

Section III: This ordinance shall be in full force and effect from and after the date of its passage.

**READ TWO (2) TIMES AND PASSED BY THE CITY COUNCIL OF NIXA, MISSOURI
THIS 28TH DAY OF OCTOBER 2019.**

PRESIDING OFFICER

ATTEST:

CITY CLERK

APPROVED THIS _____ DAY OF OCTOBER 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



Nixa Utilities & Public Works
Nixa, Missouri
417.725.2352
www.nixa.com



MEMORANDUM

To: Mayor and City Council
From: Doug Colvin
Date: 10.18.2019
RE: Southwest Power Pool agreements

The attached ordinance(s) will authorize the Mayor to execute three new agreements with Southwest Power Pool (SPP) that in short, update and complete our existing transmission contracts for energy delivery recognizing the transmission asset sale to GridLiance last year. This update has been in the works for quite some time, however since it involves Southwestern Power Administration (SPA), we've been held up on their timeframe. Heather Stearns of Healy Law has been working with staff, SPP, and SPA off and on since we switched to our current SPP network service in 2017. Tim Ricker has also been involved recently to approve these agreements as to form and to create ordinance wording.

As explained at the October 15th meeting, City Council approved our current agreements with SPP for operations beginning June of 2017 when we changed from the historical SPA Point-to-Point Non-Federal Transmission service; a move that was necessary for the divestiture of the transmission assets to GridLiance. At the time of the switch, we still owned the 69Kv transmission assets and thus, references in the existing agreements related to ownership, operational responsibility and energy delivery scheduling and planning were to us. These proposed documents recognize the ownership and operational responsibilities to GridLiance, and we become just a network service customer for delivery of power. We do still maintain the planning and scheduling responsibility associated with our business to obtain the power.

Staff recommends that City Council adopt all three Ordinances.

**SERVICE AGREEMENT
FOR
NETWORK INTEGRATION TRANSMISSION SERVICE
BETWEEN
SOUTHWEST POWER POOL, INC.
AND
CITY OF NIXA, MISSOURI**

This Network Integration Transmission Service Agreement (“Service Agreement“) is entered into this 1st day of October, 2019, by and between City of Nixa, Missouri (“Network Customer“), and Southwest Power Pool, Inc. (“Transmission Provider“). The Network Customer and Transmission Provider shall be referred to individually as “Party” and collectively as “Parties.”

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) filed with the Federal Energy Regulatory Commission (“Commission”) as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the SPP Region and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0 The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.
- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service Agreement with attached specifications.
- 3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff, as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective through May 31, 2022. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

Southwest Power Pool, Inc. (Transmission Provider):

Tessie Kentner
201 Worthen Drive
Little Rock, AR 72223-4936
Email Address: tkentner@spp.org
Phone Number: (501) 688-1762

Network Customer:

Doug Colvin
P.O. Box 395
1111 W. Kathryn Street
Nixa, MO 65714
Email Address: dcolvin@nixa.com
Phone Number: (417) 724-5670

7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.

8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

NETWORK CUSTOMER

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE
AGREEMENT**

**BETWEEN SOUTHWEST POWER POOL AND CITY OF NIXA, MO
SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

1.0 Network Resources

The Network Resources are listed in Appendix 1.

2.0 Network Loads

The Network Load consists of the bundled native load or its equivalent for Network Customer load in the Southwestern Power Administration Zone(s) as listed in Appendix 3. The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point, and each generating facility. The meter owner shall cause to be provided to the Transmission Provider, Network Customer and applicable Transmission Owner, on a monthly basis such data as is required by Transmission Provider for billing. The Network Customer's load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission and distribution losses, as applicable, as specified in Sections 8.5 and 8.6, respectively. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters, may be substituted for hourly integrated demand data. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly Network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

3.0 Affected Zone(s) and Intervening Systems Providing Transmission Service

The affected Zone(s) is/are Southwestern Power Administration. The intervening systems providing transmission service are none.

4.0 Electrical Location of Initial Sources

See Appendix 1.

5.0 Electrical Location of the Ultimate Loads

The loads of Network Customer identified in Section 2.0 hereof as the Network Load are electrically located within the Southwestern Power Administration Zone(s). The load is dynamically telemetered into and included in the SPP consolidated Balancing Authority Area.

6.0 Delivery Points

The delivery points are the interconnection points of the Network Customer identified in Section 2.0 as the Network Load.

7.0 Receipt Points

The Points of Receipt are listed in Appendix 2.

8.0 Compensation

Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

8.1 Transmission Charge

Monthly Demand Charge per Section 34 and Part V of the Tariff.

8.2 System Impact and/or Facility Study Charge

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

8.3 Direct Assignment Facilities Charge: Reserved

8.4 Ancillary Service Charges

8.4.1 The following Ancillary Services are required under this Service Agreement.

- a) Scheduling, System Control and Dispatch Service per Schedule 1 of the Tariff.
- b) Tariff Administration Service per Schedule 1-A of the Tariff.
- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.
- d) Regulation and Frequency Response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve - Spinning Reserve Service per Schedule 5 of the Tariff.

- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

Southwestern will provide Operating Reserve-Spinning Reserve Service and Operating Reserve-Supplemental Reserve Service associated with the Southwestern Purchase identified in this Service Agreement.

- 8.4.2** In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

- 8.4.3** When the Network Customer elects to self-supply or have a third party provide Ancillary Services and is unable to provide its Ancillary Services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

- 8.4.4** All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

8.5 Real Power Losses - Transmission

The Network Customer shall replace losses in accordance with Attachment M of the Tariff for all resources other than those delivered by Southwestern.

8.6 Real Power Losses – Distribution: Reserved

8.7 Power Factor Correction Charge: Reserved

8.8 Redispatch Charge

Redispatch charges shall be in accordance with Section 33.3 of the Tariff.

8.9 Wholesale Distribution Service Charge: Reserved

8.10 Network Upgrade Charges: Reserved

8.11 Meter Data Processing Charge: Reserved

8.12 Other Charges

The compensation paid by the Network Customer due to Southwestern is subject to a charge for condition of service and/or transformation for deliveries with transformer losses in accordance with Southwestern's applicable rate schedules and the terms and conditions of a contract between Southwestern and the Network Customer with such charges to be billed by Southwestern.

9.0 Credit for Network Customer-Owned Transmission Facilities: Reserved

10.0 Designation of Parties Subject to Reciprocal Service Obligation: Reserved

11.0 Other Terms and Conditions: Reserved

APPENDIX 1

**Network Resources of
City of Nixa, MO**

**APPENDIX 1
CITY OF NIXA, MO NETWORK RESOURCES**

Network Resource	Maximum Net Dependable Capacity		Location	Comments
	Summer	Winter		
City of Springfield, MO Purchase	50	50	Various	Term of Service: 6/1/2017 to 6/1/2022 OASIS Ref: 84507898

Appendix 2

**Receipt Points of
City of Nixa, MO**

APPENDIX 2 CITY OF NIXA, MO RECEIPT POINTS

Tieline / Plant Name	Ownership	Voltage (kV)
All Transmission Customer Interconnection Points on the Transmission Provider's Transmission System	Various	Various

Appendix 3

**Delivery Points of
City of Nixa, MO**

APPENDIX 3 CITY OF NIXA, MO DELIVERY POINTS

Delivery Point Name	Ownership	Voltage (kV)
NIXA DT 2	NIXA	69
NXA TRK 2	NIXA	69
NX ESPY 2	NIXA	69
NIXA NE2	NIXA	69