

The Company has listed below any material changes that have taken effect since January 1, 2017.

(a) FERC Uniform System of Accounts Changes

There were no material changes.

(b) FERC Form No. 1 Reporting Requirements Changes

There were no material changes.

(c) FERC Ratemaking Orders Applicable to the SPS Formula Rate

There are no updates from the 2018 Annual Estimate.

(d) Accounting Policies, Practices or Procedures of SPS

Purchasing and Warehouse Overheads - With the implementation of SAP in 2016, purchasing and warehouse overhead costs are cleared monthly from the cost pools instead of quarterly. Effective 2017 with the implementation of Work Asset Management (“WAM”) system, the \$3,500 cap of purchasing and warehouse loads per invoice has been eliminated. In addition, costs for wind farms will no longer incur additional purchasing and warehouse overheads since they are not utilizing Xcel Energy traditional warehouses that stock inventory and use of the accounts payable system is limited to a few large milestone payments.

Capital and expense allocations – With the implementation of WAM, effective in 2017, charges on Distribution capital blanket structures are now allocated to Construction Work in Progress, (“CWIP”), Retirement Work in Progress (“RWIP”), and Operating and Maintenance (“O&M”) expense via a pre-defined template split for routine work orders. The capital and expense splits are based on historical averages of work done under these work orders and will be monitored and updated on an ongoing basis. Previously, charges were allocated based on the monthly Unit Estimate split for each work order, which reflected the actual CWIP, RWIP and O&M expense splits of the work orders completed for the month.

Capital policy changes – Effective April 1, 2017:

1. The minimum dollar guideline for general plant was decreased from \$1,000 of materials charges to \$750 of materials charges.
2. The 75 horsepower threshold was removed from the motor policy. Instead, the motor must simply meet the minimum dollar guidelines to be capital.
3. Plant specialty doors were added as a capital property unit in the Building, Structure policy.

Prepaid Credit Facility Fee – Prepaid Credit Facility Fees were reclassified from FERC Account 165 to FERC Account 186 in 4Q 2017 per recent FERC audits of other utility companies. \$1.3M was reclassified. This has no impact because these charges are eliminated from the template.

(e) FERC Related Items

FERC Audit of Xcel Energy Services Inc. – On February 6, 2017, the Division of Audits and Accounting (“DAA”) in the Office of Enforcement of the Federal Energy Regulatory Commission (“FERC”) notified it is commencing an audit of Xcel Energy Inc. (“Xcel”), including its service companies and other affiliates in the Xcel company system. The audit will evaluate the Companies’ compliance with the Commission’s: (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R Part 35; (2) accounting, recordkeeping, and reporting requirements

under 18 C.F.R. Part 366; (3) Uniform System of Accounts (“USofA”) for centralized service companies under 18 C.F.R. Part 367; (4) preservation of records requirements for holding companies and service companies under 18 C.F.R. Part 368; and (5) FERC Form No. 60 Annual Report requirements under 18 C.F.R. Part 369. The audit will also evaluate the associated public utilities’ transactions with affiliated companies for compliance with the Commission’s accounting requirements under 18 C.F.R. Part 101, the applicable reporting requirements in the FERC Form No. 1 under 18 C.F.R. Part 141, and jurisdictional rates on file. The audit will cover January 1, 2013 to present. The audit has not concluded at this time.

(f) GAAP-Related Items

Comprehensive Income — In February 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-02 Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which addresses the stranded amounts of accumulated other comprehensive income or loss (accumulated “OCI”) which may result from a change in tax rates. Though accumulated OCI is presented on a net-of-tax basis, existing GAAP accounting guidance generally requires that the impact of a tax rate change on deferred taxes for items in accumulated OCI be recognized without a corresponding adjustment to accumulated OCI, and instead recorded to income tax expense. The new guidance permits stranded amounts of accumulated OCI specifically resulting from the 2017 Tax Cuts and Jobs Act to be removed from accumulated OCI and reclassified to retained earnings, such that the remaining net-of-tax amount of accumulated OCI reflects tax rates expected to be effect when accumulated OCI is reclassified to earnings. SPS adopted the new accounting guidance in Q4 of 2017, resulting in a \$259,880 debit to FERC Account 219 Accumulated Other Comprehensive Income and an equal credit to retained earnings. The impact to retained earnings was recorded in FERC Account 439 Adjustments to Retained Earnings, pending FERC approval of EEI’s accounting change request.

(g) Significant Unusual or Non-Recurring Income or Expense

There were no material changes.

(h) Other

Transmission Operating and Maintenance Expenses – In responding to Discovery during the 2016 True-Up of the transmission formula rates, SPS found we had incorrectly recorded distribution expense as transmission expense in certain FERC Accounts. SPS corrected this in the 2016 True-Up, however, the accounting entries were made in 2017, and are included in the balances as reported in the FERC Form 1. As a result, SPS has made adjustments to the transmission expenses for the 2017 True-Up to reverse the 2017 accounting entries (added to the FERC Form 1 reported transmission expenses). The adjustments were made to both the labor and total expenses, shown on Work Sheet G. The adjustments, by FERC Account are shown in the table below:

Booked FERC Account	Booked Function	Correct FERC Account	Correct Function	Labor Amount	Non-Labor Amount	Total
562	Trans O&M	588	Dist O&M	10,208.11	5,641.88	15,849.99
566	Trans O&M	588	Dist O&M	8,257.45	2,411.43	10,668.88
566	Trans O&M	592	Dist O&M	50,326.71	21,675.88	72,002.59
Total				58,584.16	24,087.31	82,671.47
570	Trans O&M	582	Dist O&M	216,697.14	57,998.66	274,695.80
570	Trans O&M	588	Dist O&M	82,466.20	23,646.25	106,112.45
570	Trans O&M	592	Dist O&M	276,189.42	161,248.42	437,437.84
Total				575,352.76	242,893.33	818,246.09
Total Adjustment				644,145.03	272,622.52	916,767.55

Federal Tax Reform — On December 22, 2017, the TCJA was signed into law. While the legislation will require interpretations and regulations to be issued by the IRS, the key provisions impacting SPS, generally beginning in 2018, include:

- Corporate federal tax rate reduction from 35 percent to 21 percent;
- Normalization of resulting plant-related excess deferred taxes;
- Elimination of the corporate alternative minimum tax;
- Continued interest expense deductibility;
- Discontinued bonus depreciation for regulated public utilities;
- Limitations on certain executive compensation deductions;
- Limitations on certain deductions for NOLs arising after Dec. 31, 2017 (limited to 80 percent of taxable income);
- Repeal of the section 199 manufacturing deduction; and
- Reduced deductions for meals and entertainment as well as state and local lobbying.

Entities are required under ASC Topic 740 to recognize the accounting impacts of a tax law change, including the impacts of a change in tax rates on deferred tax assets and liabilities, in the period including the date of the tax law enactment. The SEC staff issued guidance in SAB 118 that supplements the accounting requirements of ASC Topic 740 if elements of the TCJA assessment are not complete, and provides for up to a one year period to finalize the required accounting. Xcel Energy has estimated the effects of the TCJA, which have been reflected in the Dec. 31, 2017 consolidated financial statements. Issuance of U.S. Treasury regulations interpreting the TCJA, other U.S. Treasury and IRS guidance or interpretations of the application of ASC Topic 740 may result in changes to these estimates.

Overall for SPS, reductions in deferred tax assets and liabilities due to the reduction in corporate federal tax rates result in a net tax benefit. However, as a result of IRS requirements and past regulatory treatment of deferred taxes in the determination of SPS' regulated rates, including deferred taxes related to regulated plant and certain other deferred tax assets and liabilities, the impact was primarily recognized as a regulatory liability refundable to utility customers.

The fourth quarter 2017 estimated accounting impacts of the December 2017 enactment of the new tax law at SPS included:

- \$426 million (\$559 million grossed-up for tax) of reclassifications of plant-related excess deferred taxes to regulatory liabilities upon valuation at the new 21 percent federal rate. The regulatory liabilities will be amortized consistent with IRS normalization requirements, resulting in customer refunds over the average remaining life of the related property;
- \$45 million and \$28 million of reclassifications (grossed-up for tax) of excess deferred taxes for non-plant related deferred tax assets and liabilities, respectively, to regulatory assets and liabilities;
- \$8 million of total estimated income tax benefit related to the federal tax reform implementation, and a \$2 million reduction to net income related to the allocation of Xcel Energy Services Inc.'s tax rate change on its deferred taxes.

SPS has accounted for the state tax impacts of federal tax reform based on currently enacted state tax laws. Any future state tax law changes related to the TCJA will be accounted for in the periods state laws are enacted.

Generally, SPS has not included the impacts of the TCJA in the 2017 Formula Rate True-Up, with the exception of the elimination of bonus depreciation effective September 27, 2017, which results in a decrease in the Accumulated Deferred Income Tax ("ADIT") credit to rate base. In addition, as noted above, SPS recorded the excess deferred taxes for non-plant related deferred tax assets and liabilities to regulatory assets and liabilities, FERC Accounts 182.3 and 254. The Transmission Formula Rate includes these accounts in rate base. Reference footnote D on the Table 7, ARR-Actual Data that allows for the inclusion of contra accounts to FERC Accounts 190 and 283, identified as regulatory assets and liabilities related to FAS 109. The FERC Notice of Inquiry, Docket No. RM18-12, is also addressing this issue. Also, Xcel Energy Services Inc. recorded the tax rate change on its deferred taxes. This was allocated to all of the Xcel Energy Operating Companies including SPS, recorded in FERC Account 921, and has been included in the 2017 Formula Rate true-up.

(i) SPP and/or Xcel Energy OATT changes that relate to SPS

- Docket ER17-749 – On January 5, 2017, SPP filed revisions to Attachment AE of the SPP OATT to update the operating constraint violation relaxation limit. On March 3, 2017, the revisions were accepted by delegated letter order.
- Docket ER17-772 – On January 11, 2017, SPP filed revisions to the SPP OATT to comply with Order No. 825. On February 23, 2017, SPP was issued a deficiency letter. On March 29, 2017 SPP submitted a deficiency response.

- Docket ER17-835 – On January 23, 2017, SPP filed revisions to the SPP OATT to update Schedule 2, Reactive Supply and Voltage Control from Generation or Other Sources Service. On March 13, 2017, the revisions were accepted by delegated letter order.
- Docket ER17-911 – On January 31, 2017, SPP filed revisions to Addendum 1 to Attachment AF of the SPP OATT to update the list of Frequently Constrained Areas. On March 24, 2017, the revisions were accepted by delegated letter order.
- Docket ER17-973 – On February 15, 2017, SPP filed revisions to Attachment O of the SPP OATT to update Figure 2 of Section 1 of Attachment O to reflect the current ITP Near-Term process schedule. On April 5, 2017, the revisions were accepted for filing by delegated letter order.
- Docket ER17-975 – On February 16, 2017, SPS filed a connection agreement among SPS, Golden Spread, and Rita Blanca Electric Coop. On April 6, 2017 the associated eTariff records were accepted by delegated letter order.
- Docket ER17-976 – On February 16, 2017, SPP filed revisions to Attachment AQ of the SPP OATT to all non-material changes in delivery points to not go through the SPP Attachment AQ delivery point addition study process. On April 5, 2017 the revisions were accepted by delegated letter order.
- Docket ER17-1015 – On February 23, 2017, SPS filed a notice of cancellation of a Construction and Ownership Agreement among SPS, Golden Spread, and Rita Blanca Electric Coop. On April 18, 2017 the notice was accepted by delegated letter order.
- Docket ER17-1092 – On March 2, 2017, SPP filed revisions to Attachment AE of the SPP OATT to revise the methodology through which scarcity pricing reflects the value of Regulation and Operating Reserves in the SPP IM. Several interventions including one from XES and a protest by Golden Spread were filed. On May 10, 2017, a deficiency letter was issued to SPP.
- Docket ER17-1098 – On March 3, 2017, SPP filed revisions to the SPP OATT to implement a Resource Adequacy Requirement (RAR) for the SPP footprint. Several interventions including some with comments and protests have been filed in the proceeding. On April 18, 2017 SPP filed an answer.
- Docket ER17-1413 – On April 13, 2017, SPP filed revisions to the SPP OATT to modify the time of day at which unscheduled firm transmission is released for sale as hourly, non-firm service for the next day only. Comments were due May 4, 2017.
- Docket ER17-1482 – On April 27, 2017, SPP filed revisions to Attachment AE of the SPP OATT to incorporate the term “Instantaneous Load Capacity.” XES filed an intervention in the proceeding and Golden Spread has filed a protest.
- Docket ER17-1524 – On May 2, 2017, SPP filed revisions to Attachment AF of the SPP OATT to conform the language in Attachment AF to the MMUs practice of reviewing Market Participant submitted mitigated offers after the SPP market clears.
- Docket ER17-1528 – On May 8, 2017, SPP filed revisions to the SPP OATT to comply with Order No. 831’s requirement that SPP implement a mechanism in the SPP IM to (1) cap each Resource’s incremental energy offer at the higher of \$1,000/megawatt-hour or that Resource’s verified cost-based incremental energy offer; and (2) cap verified cost-based incremental energy offers at \$2,000/MWh when calculating LMP prices. On May 18, 2017, SPP submitted amendments to the May 8 filing.
- Docket ER17-1575 – On May 9, 2017, SPP filed revisions to the SPP OATT to modify the current provisions governing the eligibility of customers taking NITS subject to redispatch (NITS-RD) to receive ARRs and/or LTCRs. The revisions are designed to address concerns identified by the Commission in its September 23, 2016 order in Docket No. EL16-110.
- Docket ER17-1610 – On May 15, 2017, SPP filed revisions to the SPP OATT to add an ATRR and to implement a formula rate template and formula protocols for transmission service using the facilities of Mountrail-Williams Electric Cooperative.
- Docket ER17-1643 – On May 19, 2017, SPP filed revisions to Attachment of the SPP OATT to modify the offer database roll forward logic by removing a process whereby Market

- Participants making an intraday change another to change subsequent real-time submissions back to the original, pre-intraday change value.
- Docket ER17-1694 – On May 26, 2017 SPP filed: (1) an executed Service Agreement for Network Integration Transmission Service between SPP as Transmission Provider and SPS as Network Customer (“Tenth Revised SPS Service Agreement”); and (2) an executed Network Operating Agreement (“NOA”) between SPP as Transmission Provider and SPS as both Network Customer and Host Transmission Owner (“Tenth Revised SPS NOA”).
 - Docket ER17-1733 – On June 6, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Attachment AE Revisions Regarding JOUs Registered Under Combined Resource Option to be effective 8/1/2017.
 - Docket ER17-1795 - On June 9, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Modifications of Conditions to Classify a Service Upgrade as a Base Plan Upgrade to be effective 8/8/2017.
 - Docket ER17-1936 – On June 28, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Credit Policy Revisions to Increase Unsecured Credit Allowance Maximum to be effective 8/27/2017.
 - Docket ER17-2027 – On June 30, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Integrated Transmission Planning Process Tariff Revisions to be effective 10/1/2017.
 - Docket ER17-2107 – On July 19, 2017, Southwestern Public Service Company submits tariff filing per 35.13(a)(2)(iii): SPS-GSEC-SPEC-IA-T-L-Milwaukee-684-0.0.0 to be effective 9/18/2017.
 - Docket ER17-2174 – On July 28, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 1139R5 Southwestern Public Service Company NITSA NOA to be effective 7/1/2017.
 - Docket ER17-2180 – On July 28, 2018, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Attachment AE Revisions Regarding Staggered Start Resources to be effective 10/1/2017.
 - Docket ER17-2229 – On August 2, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Tariff Revisions to Change Frequency of Regional Cost Allocation Review to be effective 10/1/2017.
 - Docket ER17-2256 – On August 7, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Cost Allocation for Brookline and Morgan Transmission Projects (Part 1 of 2) to be effective 10/6/2017.
 - Docket ER17-2257 – On August 7, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Cost Allocation for Brookline and Morgan Transmission Projects (Part 2 of 2) to be effective 10/6/2017.
 - Docket ER17-2280 – On August 10, 2017, Southwestern Public Service Company submits tariff filing per 35.13(a)(2)(iii): SPS-GSEC-RBEC-CA-Wolves-668-0.0.0 to be effective 10/8/2017.
 - Docket ER17-2312 – On August 15, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Tariff Revisions to Remove Day-Ahead Limited Must Offer Requirement to be effective 10/16/2017.
 - Docket EL17-86 – On August 31, 2017, Nebraska Public Power District filed a complaint against SPP regarding Attachment Z2 charges.
 - Docket ER17-2447 – On September 7, 2017, Public Service Company of Colorado submits tariff filing per 35.13(a)(2)(iii): OATT Att O-PSCo AGIS Update to be effective 1/1/2017.
 - Docket ER17-2455 – On September 11, 2017, Southwestern Public Service Company submits tariff filing per 35.13(a)(2)(iii): SPS-WILD-E&P Agrmt-697-0.0.0 to be effective 9/12/2017.
 - Docket EL17-89 – On September 15, 2017, Formal Complaint of American Electric Power Service Corporation on behalf of Southwestern Electric Power Company under EL17-89.

- Docket ER17-2523 – On September 20, 2017, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): Revisions to Attachment Y to Add A Competitive Project Minimum Threshold to be effective 11/19/2017.
- Docket EL18-9 – On October 10, 2017, Xcel Energy Services filed a formal complaint against SPP's Attachment Z2 process.
- Docket EL18-19 On March 22, 2018 the Indicated SPP Transmission Owners filed a protest against SPP proposed refund requirements by non-jurisdictional entities.
- Docket EL18-20 - On October 13, 2017, the Indicated SPP Transmission Owners filed a complaint against SPP concerning cost shifts resulting from the addition of a new SPP member.
- Docket EL18-26 - On October 30, 2017, EDF Renewable Energy filed a complaint against continent Independent System Operator, Inc. and SPP regarding affected system coordination.
- Docket EL18-58 – On January 26, 2018, Oklahoma Municipal Power Authority filed a complaint against Oklahoma Gas and Electric claiming the return on equity is unjust and unreasonable.
- Docket ER18-99 – On October 18, 2017, SPP submitted Tariff Revisions to Incorporate South Central MCN LLC's Formula Rate.
- Docket ER18-194 - - On October 31, 2017, American Electric Power filed revisions to the formula rate of American Electric Power Service Corporation's Transmission Companies, AEP Oklahoma Transmission Company, Inc. and AEP Southwestern Transmission Company, Inc.
- Docket ER18-195 - On October 31, 2017, American Electric Power filed revisions to the formula rate of American Electric Power Service Corporation's Operating Companies, Public Service Company of Oklahoma and Southwestern Electric Power Company.
- Docket ER18-374 - On December 1, 2017, SPP filed tariff revisions to Attachment Z2 that make non-capacity Network Upgrades ineligible to be Creditable Upgrades and to specify that Short-Term Firm Point-To-Point Transmission Service and Non-Firm Point-To-Point granted on or after February 1, 2018 shall not be used to pay Attachment Z2 revenue credits.
- Docket ER18-502 - On December 21, 2017, Midcontinent Independent System Operator, Inc. Filing of Network Resource Process Improvement Tariff Revisions
- Docket ER18-660 - On January 17, 2018, SPP submitted a transmission interconnection agreement between Southwestern Power Administration and South Central MCN LLC, with SPP as signatory.
- Docket ER18-748 - On January 30, 2018, SPP submitted tariff revisions to recover costs of network upgrades for which SPP Issued Notifications to Construct to American Electric Power Service Corporation and which SPP later withdrew.
- Docket ER18-757 - On January 31, 2018, SPP submitted tariff revisions to Section 8.6.15 of Attachment AE in order to eliminate a gaming issue related to regulation deployment adjustment.
- Docket ER18-770 - On January 31, 2018, SPP submitted a Network Integration Transmission Service Agreement and Network Operating Agreement between SPP, Associated Electric Cooperative, Inc. as the network customer, and American Electric Power Service Corporation as the host transmission owner.
- Docket ER18-792 - On February 2, 2018, SPP submitted tariff revisions modifying Section 8.6.16 of Attachment AE to prevent the potential dilution of over-collected losses (OCL) payments that can occur when SPP's existing OCL allocation methodology is applied to certain types of transactions conducted pursuant to bilateral settlement schedules.
- Docket ER18-875 – On February 20, 2018, SPP filed a wholesale distribution service agreement between NorthWestern Corporation d/b/a NorthWestern Energy and the City of Bryant, South Dakota, with SPP as signatory.

- Docket ER18-876 - On February 20, 2018, SPP filed a wholesale distribution service agreement between NorthWestern Corporation d/b/a NorthWestern Energy and the City of Groton, South Dakota, with SPP as signatory.
- Docket ER18-878 - On February 20, 2018, SPP filed a wholesale distribution service agreement between NorthWestern Corporation d/b/a NorthWestern Energy and the Town of Langford, South Dakota, with SPP as Signatory.
- Docket ER18-895 - On February 22, 2018, SPP filed a Network Integration Transmission Service Agreement and Network Operating Agreement between SPP, Western Farmers Electric Cooperative as network customer and host transmission owner, and American Electric Power Service Corporation and Oklahoma Gas and Electric Company as host transmission owners.
- Docket ER18-939 - On February 28, 2018, SPP submitted Membership Agreement revisions to implement refund obligations for non-public utility SPP transmission owners consistent with Commission orders in Docket Nos. EL16-91-000 and EL18-19-000.
- Docket ER18-985 - On March 9, 2018, SPP submitted revisions to formula rate template to update depreciation rates for Tri-State Generation and Transmission Association, Inc.
- Docket ER18-995 – On May 10, 2018, SPP submitted a tariff filing per 35.17(b): Amended Filing - Attachment AE Revisions to Clarify Registration of Load to be effective 5/11/2018.
- Docket ER18-1013 – On March 14, 2018, SPP filed a transmission interconnection agreement between Westar Energy, Inc., Kansas Gas and Electric Company and Mid-Kansas Electric Company, Inc.
- Docket ER18-1078 - On March 14, 2018, SPP submitted tariff revisions to require phasor measurement units at new generator interconnections.
- Docket ER18-1093 - On March 15, 2018, SPP submitted an executed Network Integration Transmission Service Agreement and Network Operating Agreement between SPP, Kansas Municipal Energy Agency as network customer, and Kansas City Power & Light Company as host transmission owner.
- Docket ER18-1195 - On March 28, 2018, SPP submitted Notice of Cancellation of the Network Integration Transmission Service Agreement and Network Operating Agreement between SPP, Arkansas Electric Cooperative Corporation as network customer, and American Electric Power Service Corporation and Oklahoma Gas and Electric Company as host transmission owners.
- Docket ER18-1198 - On March 28, 2018, SPP filed a Meter Agent Services Agreement between Kansas Municipal Energy Agency as market participant and Kansas City Power & Light Company as meter agent.
- Docket ER18-1212 - On March 29, 2018, SPP Network Integration Transmission Service Agreement and Network Operating Agreement between SPP, Kansas Municipal Energy Agency as network customer, and Sunflower Electric Power Corporation as host transmission owner.
- Docket ER18-1268 - On March 30, 2018, SPP submitted tariff revisions to implement a set of resource adequacy requirement policies.
- Docket ER18-1309 - On April 6, 2018, SPP executed a generator interconnection agreement between SPP as the transmission provider and Cottonwood Wind Project, LLC as interconnection customer, and Nebraska Public Power District as the transmission owner. This executed service agreement was filed under SPP Service Agreement No. Sixth Revised 2252.
- Docket ER18-1315 - On April 9, 2018, SPP filed an a Notice of Cancellation of the NITSA between SPP as transmission provider and Arkansas Electric Cooperative Corporation as network customer, as well as a NOA with American Electric Power Service Corporation, as agent for Southwestern Electric Power Company, as the host transmission owner. This cancellation notice was filed under SPP Service Agreement No. Second Revised 2888. An effective date of January 1, 2018 was requested.

Material Accounting Changes since January 1, 2017

- Docket ER18-1323 - On April 9, 2018, SPP submitted revisions to Sections 7.6 and 7.6.3 of Attachment AE of the tariff in order to restore opportunities for awards of Auction Revenue Rights ("ARR") megawatts on unused system capacity due to restrictions in round three of the annual ARR allocation market in the SPP Integrated Marketplace. An effective date of November 1, 2018 was requested.
- Docket ER18-1326 - On April 9, 2018, SPP submitted revisions to the Form of Irrevocable Standby Letter of Credit contained in Appendix C to Attachment X of the tariff in order to clarify unclear and inconsistent language and update permissible communication methods. An effective date of June 8, 2018 was requested.
- Docket ER18-1382 - On April 17, 2018, SPP submitted an executed NITSA and NOA between SPP as the transmission provider and The Empire District Electric Company as both the network customer and host transmission owner. This executed service agreement was filed under SPP Service Agreement No. Eighth Revised 1630. An effective date of April 1, 2018 was requested.
- Docket ER18-1397 - On April 19, 2018, SPP submitted a Notice of Cancellation of the NITSA between SPP as the transmission provider, Otter Tail Power Company as the network customer, as well as a NOA with Otter Tail, Central Power Electric Cooperative, Inc. and Western Area Power Administration as the host transmission owners. The cancellation notice was filed under SPP Service Agreement No. 3294. An effective date of January 1, 2018 was requested.
- Docket ER18-1403 - On April 20, 2018, SPP submitted an executed agreement establishing a pseudo-tie electrical interconnection point among SPP, Basin Electric Power Cooperative as the market participant, and MidAmerican Energy Company as the external local balancing authority. This executed agreement is filed under SPP Service Agreement No. 3399. An effective date of April 1, 2018 was requested.
- Docket ER18-1426 - On April 23, 2018, SPP submitted a clean-up filing to make non-substantive corrections to certain sections of its tariff. An effective date of July 1, 2018 was requested.
- Docket ER18-1452 - On April 27, 2018, SPP submitted an executed NITSA between SPP as transmission provider, Kansas Electric Power Cooperative, Inc. as the network customer, as well as a NOA with Midwest Energy, Inc. as the host transmission owner. This executed agreement was filed under SPP Service Agreement No. Third Revised 1637. An effective date of April 1, 2018 was requested.
- Docket ER18-1456 - On April 27, 2018, SPP submitted an executed NITSA and NOA between SPP as the transmission provider and Southwestern Public Service Company as both network customer and host transmission owner. This agreement was filed under SPP Service Agreement No. Eleventh Revised 1910. An effective date of April 1, 2018 was requested.
- Docket ER18-1463 - On April 27, 2018, SPP submitted an executed GIA between SPP as the transmission provider, Magnet Wind Farm, LLC as the interconnection customer, and Nebraska Public Power District as the transmission owner. This executed agreement was filed under SPP Service Agreement No. 3435. An effective date of April 13, 2018 was requested.
- Docket ER18-1467 - On April 30, 2018, SPP submitted an executed Meter Agent Services Agreement between Kansas Power Pool as the market participant and Westar Energy, Inc. as the meter agent. This service agreement was filed under SPP Service Agreement No. Third Revised 2827. An effective date of April 1, 2018 was requested.
- Docket ER18-1468 - On April 30, 2018, SPP submitted an executed NITSA between SPP as the transmission provider, Kansas Power Pool as the network customer, as well as a NOA with Midwest Energy, Inc., Mid-Kansas Electric Company, LLC, and Westar Energy, Inc. as the host transmission owners. This service agreement was filed under SPP Service Agreement No. Twenty-Fourth Revised 2198. An effective date of April 1, 2018 was requested.

- Docket ER18-1500 – On May 1, 2018, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 2825R5 KMEA and Westar Energy Meter Agent Agreement to be effective 6/1/2018.
- Docket ER18-1501 – On May 2, 2018, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 2450R2 KEPCO NITSA NOA to be effective 6/1/2018.
- Docket ER18-1504 – On May 2, 2018, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 2451R3 KEPCO NITSA NOA for Kansas Electric Power cooperatives to be effective 6/1/2018.
- Docket ER18-1505 – On May 2, 2018, Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 2451R3 KEPCO NITSA NOA for Kansas Electric Power cooperatives to be effective 6/1/2018.
- Docket ER18-1521 – On May 4, 2018, Petition of Southwestern Public Service Company for Waiver of Tariff Provisions.
- Docket ER18-1541 – On May 8, 2018, SPP submitted a tariff filing per 35: AEP Transcos Formula Rate Compliance Filing Pursuant to Order in EL18-63 to be effective 1/1/2018.
- Docket ER18-1542 – On May 8, 2018, American Electric Power Service Corporation submits tariff filing per 35.13(a)(2)(iii): AEP Formula Rate Revisions to be effective 1/1/2018.
- Docket ER18-1562 – On May 9, 2018, SPP submitted a tariff filing per 35: Order No. 842 Compliance Filing to be effective 5/15/2018.
- Docket ER18-1568 – On May 10, 2018, SPP submitted a tariff filing per 35.13(a)(2)(iii): Market Import Service Tariff Revisions to be effective 7/10/2018.
- Docket ER18-1572 - On May 11, 2018, SPP submitted a tariff filing per 35.13(a)(2)(iii): 3446 Group NIRE/SPS Facilities Construction Agreement to be effective 7/10/2018.
- Docket ER18-1590 – On May 14, 2018 SPP submitted a tariff filing per 35.13(a)(2)(iii): Revisions to Extend Tariff Administration between SPP and SPA through 07/31/2018 to be effective 4/1/2018.
- Docket ER18-1632 – On May 15, 2018, SPP submitted filing per 35.13(a)(2)(iii): Major Maintenance Cost Component to Mitigated Start-Up and No-Load Offers to be effective 1/15/2019.
- Docket ER18-1640 – On May 16, 2018, SPP submitted revised Network Integration Transmission Services Agreement and Network Operating Agreement for Arkansas Electric Cooperative Corporation.
- Docket ES18-33 – On April 27, 2018, SPP submitted an Application under Section 204 of the Federal Power Act for an order authorizing the Issuance of securities.

(j) Classification or Reclassification of Facilities from Transmission to Radial or from Radial to Transmission

In the 2017 True-Up, SPS uses the Radial Line Study (06-2018---SPS RLS for 2017 True-Up) populated with end of year 2017 plant balances.

There are some changes to the classifications of radials shown as invalid but should have been directly assigned to wholesale customers from what was originally estimated. These changes affected Bailey County Electric Cooperative, Central Valley Electric Cooperative, Lyntegar Electric Cooperative, Rita Blanca Electric Cooperative, South Plains Electric Cooperative, and Deaf Smith Electric Cooperative.

There were no changes made to SPS retail assignments where they were marked as invalid and changed to direct assigned.

Revisions were made to the Radial Line Study to update certain components such as circuit numbers, mileages, asset locations, and “to and from” descriptions.

There were no changes to the classifications of radials directly assigned to wholesale customers or any new wholesale radials added.

There were 2 SPS retail assignments that were no longer radial in 2017. There were 7 additions made to SPS retail assignments due to new construction.

These changes to classifications are noted in the Radial Line Study and impact Worksheets O and M of the True-Up template.