

December 2, 2010

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: NERC Supplemental Notice of Penalty filing regarding Kiowa Power Partners, LLC,
FERC Docket No. NP10-149-000

Dear Ms. Bose:

On July 30, 2010, the North American Electric Reliability Corporation (“NERC”) submitted a Settlement Agreement between Texas Reliability Entity, Inc. (“Texas RE”) and Kiowa Power Partners, LLC (“Kiowa”) in a Notice of Penalty regarding a violation of Reliability Standard FAC-003-1 Requirement (R) 2.

On August 27, 2010, the Director of Enforcement of the Federal Energy Regulatory Commission (“Commission” or “FERC”) issued a data and document request, which directed NERC and Texas RE to submit additional information no later than September 17, 2010, regarding the July 30, 2010 Notice of Penalty.¹ An extension of time was ultimately granted to and including November 8, 2010 to allow NERC and Texas RE to complete the review of responsive data and to finalize and file the data request response. On November 8, 2010 and November 9, 2010, NERC and Texas RE submitted their response to the data request and a revised Settlement Agreement.

By this filing, NERC and Texas RE submit additional supplemental information from Kiowa regarding Kiowa’s commitment to revise its facility ratings methodology within 90 days.

NERC and Texas RE respectfully request that the Commission accept this supplemental

¹ *North American Electric Reliability Corporation*, 132 FERC ¶ 62,139 (2010).

Ms. Kimberly Bose
Docket No. NP10-149-000
December 2, 2010
Page 2

information and issue an order consistent with the comments provided herein.

Respectfully submitted,

/s/ Rebecca J. Michael
Rebecca J. Michael
Assistant General Counsel
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

Enclosure: Attachments

cc: Official service list in Docket No. NP10-149-000

Attachment 1



1044 N. 115 Street, Suite 400
Omaha, Nebraska 68154-4446
402-691-9500
FAX: 402-691-9526

December 2, 2010

Ms. Rashida Caraway
Manager, Compliance Enforcement
Texas Reliability Entity
2700 Via Fortuna, Suite 225
Austin, Texas 78746

RE: Kiowa Power Partners L.L.C.
TRE201000115

Dear Ms. Caraway:

This will confirm that Kiowa agrees to submit a mitigation plan to Texas RE (within two weeks) of the date of this letter to revise its Facility Ratings Methodology within 90 days to address the deficiencies identified by Texas RE below, by revising Reliability Compliance Manual Procedure Number RCP-NERC-FAC-008, which includes the Requirement Actions for FAC-008, R1. Kiowa commits to include the method (procedure or process) by which the Facility Rating is determined, and agrees to include certain language below in this Procedure:

First, as per R1.2 of FAC-008, Kiowa's methodology will include the method (procedure or process) by which the Rating (of major BES equipment that comprises a Facility) is determined.

- a. The scope of equipment addressed will include generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices. The methodology will explicitly include all equipment listed in "a." and if such equipment is not present in a system, it will be identified as such.
- b. It also will include the method for determining the ratings of such equipment (ANSI, manufacturer limits, etc.).
- c. The scope of the Ratings addressed will include, as a minimum, both Normal and Emergency Ratings. The methodology also will explicitly address Normal and Emergency ratings (how these will be determined, whether separate ratings will be used or a single rating for both).

Second, As per R1.3 of FAC-008, the methodology will take into consideration the following:

- a. Operating limitations.

- b. Other assumptions (transformer ratings, protective relay devices ratings, terminal equipment ratings, series and shunt compensation devices ratings - all above transmission and/or generation ratings).

Kiowa will address these in the methodology, taking into consideration that our lines are rated below the maximum output of the generation (each line is rated at 1,072 MW under all conditions while the generator(s) is rated at an aggregate 1200 MW).

Third, in Section 2, Requirements, under Requirement Actions and Documentation, Kiowa will modify the third paragraph, which currently reads, "Transmission facility ratings are based upon their design criteria", to read as follows:

"Transmission facility ratings are based upon their design criteria. The design criteria include transmission design factors and load carrying capabilities of the circuits. These include the plan and profile of the transmission line, actual geography in planning each individual span, sag and tension, conductor operating temperatures and clearances, conductors, conductor motion, right of way issues, lightning performance and insulation, insulator swing, environmental factors, and will consider, as applicable, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices."

Fourth, as a new last paragraph of Section 2, Kiowa will add the following:

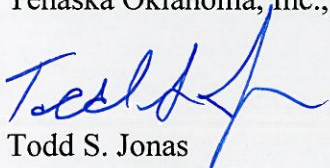
"If the transmission line, including both circuits, is fully operational, the generation facility has the most limiting Equipment Rating; however, if either circuit of the transmission line is not fully operational, the most limiting Equipment Rating could be the transmission facility, depending upon the circumstances. Whenever the transmission facility becomes the most limiting factor, the plant generation will be limited accordingly."

If you have any questions, please don't hesitate to contact me at 402-691-9548.

KIOWA POWER PARTNERS, LLC

By: Tenaska Oklahoma, Inc., Its Managing Member

By:


Todd S. Jonas
Vice President

cc: Robert Pope, Plant Manager