

104

# FERC FORM 1 SUPPLEMENT

## ANNUAL REPORT

OF THE

RECEIVED  
05/28/17  
ARK PUBLIC SERVICE COMM  
AUDIT SECTION

NAME Southwest Power Pool, Inc.  
(Here show in full the exact corporate, firm or individual name of the respondent)

LOCATED AT 201 Worthen Drive Little Rock, AR 72223  
(Here give the location, including street and number of the respondent's main business office within the State)

COMPANY # 2166  
(Here give the APSC-assigned company number)

TO THE

### ARKANSAS PUBLIC SERVICE COMMISSION



## COVERING ALL OPERATIONS

FOR THE YEAR ENDING DECEMBER 31, 2016

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

In order to satisfy the filing requirements of the Arkansas Public Service Commission, these supplemental schedules will be filed annually with a copy of the Federal Energy Regulatory Commission Form 1. One complete copy will be filed with each, the Utilities Division and the Tax Division of the Arkansas Public Service Commission on or before March 31 immediately following the year being reported.

**GENERAL INSTRUCTIONS, DEFINITIONS, ETC.**

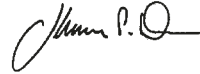
1. Two (2) copies of this report, properly filled out and verified shall be filed with the Utility Division of the Arkansas Public Service Commission, Little Rock, Arkansas, on or before the 31st day of March following the close of the calendar year for which the report is made.
2. This form of annual report is prepared in conformity with the Uniform System of Accounts for Public Utilities prescribed by the Public Service Commission and all accounting words and phrases are to be interpreted in accordance with the said classification.
3. The word "respondent" in the following inquiries means the person, firm, association or company in whose behalf the report is made.
4. Instructions should be carefully observed, and each question should be answered fully and accurately. Where the word "none" truly and completely states the fact, it should be given to any particular inquiry.
5. If any schedule does not apply to the respondent, such fact should be shown on the schedule by the words "not applicable."
6. Except in cases where they are especially authorized, cancellations, arbitrary check marks, and the like must not be used either as partial or entire answers to inquiries.
7. Reports should be made out by means which result in a permanent record. The copy in all cases shall be made out in permanent black ink or with permanent black typewriter ribbon. Entries of a contrary or opposite character (such as decreases reported in a column providing for both increases and decreases) should be shown in red ink or enclosed in parentheses.
8. This report will be scanned in. Please bind with clips only.
9. Answers to inquiries contained in the following forms must be complete. No answer will be accepted as satisfactory which attempts by reference to any paper, document, or return of previous years or other reports, other than the present report, to make the paper or document or portion thereof thus referred to a part of the answer without setting it out. Each report must be complete within itself.
10. In cases where the schedules provided in this report do not contain sufficient space or the information called for, or if it is otherwise necessary or desirable, additional statements or schedules may be inserted for the purpose of further explanation of accounts or schedules. They should be legibly made on paper of durable quality and should conform with this form in size of page and width of margin. This also applies to all special or unusual entries not provided for in this form. Where information called for herein is not given, state fully the reason for its omission.
11. Each respondent is required to send in connection with its report to this Commission's Utilities Division, one (1) copy of its latest annual report to stockholders.
12. Schedules supporting the revenue accounts and furnishing statistics should be so arranged as to effect a division in the operations as to those inside and outside the state.
13. Answers to all inquiries may be in even dollar figures, with cents omitted and with agreeing totals.
14. Each respondent should make its report in duplicate, retaining one copy for its files for reference, in case correspondence with regard to such report becomes necessary. For this reason, several copies of the accompanying forms are sent to each utility company concerned.

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

LETTER OF TRANSMITTAL

To: Arkansas Public Service Commission  
Post Office Box 400  
Little Rock, Arkansas 72203-0400

Submitted herewith is the annual report covering the operation of Southwest Power Pool, Inc.  
(Company)  
of 201 Worthen Dr, Little Rock, AR 72223 for the year ending December 31, 2016. This report is submitted in  
(Location)  
accordance with Section 51 of Act 324 of the 1935 Acts of Arkansas.  
The following report has been carefully examined by me, and I have executed the verification given below.



(Signature)

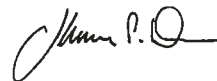
Senior Vice President, Finance & CFO  
(Title)

\*\*\*\*\*  
VERIFICATION

STATE OF )  
                  ) **ss.**  
COUNTY OF )

I, the undersigned, Tom Dunn, Senior Vice President, Finance & CFO of the  
(Name and Title)  
(Company)

been prepared under my direction from the original books, papers, and records of said utility: that I have carefully examined the same, and declare the same a complete and correct statement of the business and affairs of said utility in respect to each and every matter and thing set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross revenues, and that accounts and figures contained in the foregoing statements embrace all of the financial transactions for the period in this report.



(Signature)

Subscribed and sworn to before me this 27th  
day of April, 2017  
My Commission Expires 04-01-2018

MICHELLE HARRIS  
Notary Public-Arkansas  
Pulaski County  
My Commission Expires 04-01-2018  
Commission # 12365480



(Signature of Notary)

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

Give the name, title, office address, telephone number and e-mail address of the person to whom any correspondence concerning this report should be addressed:

Name Tom Dunn Title Senior Vice President, Finance & CFO

Address 201 Worthen Drive, Little Rock, AR 72223

Telephone Number (501) 614-3320

E-Mail [tdunn@spp.org](mailto:tdunn@spp.org)

Give the name, address, telephone number and e-mail address of the resident agent:

Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

Address \_\_\_\_\_

E-Mail \_\_\_\_\_

**IDENTITY OF RESPONDENT**

1. Give the exact name by which respondent was known in law at the close of the year. Use the initial word "The" only when it is part of the name:

Southwest Power Pool, Inc.

2. Give the location (including street and number) of (a) the main Arkansas business office of respondent at the close of the year, and (b) if respondent is a foreign corporation, the main business office if not in this state:

(a) 201 Worthen Drive  
Little Rock, AR 72223

(b) N/A

3. Indicate by an **x** in the proper space (a) the type of service rendered, and (b) the type of organization under which respondent was operating at the end of the year.

(a) (  ) Electric, ( ) Gas, ( ) Water, ( ) Telephone, ( ) Other

(b) ( ) Proprietorship, ( ) Partnership, ( ) Joint Stock Association,  
(  ) Corporation, ( ) Other (describe below):

4. If respondent is not a corporation, give (a) date of organization, and (b) name of the proprietor or the names of all partners, and the extent of their respective interest at the close of the year.

(a) N/A

(b) N/A

5. If a corporation, indicate (a) in which state respondent is incorporated, (b) date of incorporation, and (c) designation of the general law under which respondent was incorporated, or, if under special charter, the date of passage of the act:

(a) Arkansas

(b) January 3, 1994

(c) N/A

6. State whether or not respondent during the year conducted any part of its business within the State of Arkansas under a name or names other than that shown in response to inquiry No. 1 above, and, if so, give full particulars:

N/A

7. State whether respondent is a consolidated or merged company. If so, (a) give date and authority for each consolidation or merger, (b) name all constituent and merged companies, and (c) give like particulars as required of the respondent in inquiry No. 5 above:

- (a) N/A
- (b) N/A
- (c) N/A

8. State whether respondent is a reorganized company. If so, give (a) name of original corporation, (b) date of reorganization, (c) reference to the laws under which it was reorganized and (d) state the occasion of the reorganization, whether because of foreclosure of mortgage or otherwise, giving full particulars.

- (a) N/A
- (b) N/A
- (c) N/A
- (d) N/A

9. Was respondent subject to a receivership or other trust at any time during the year? No  
If so, state:

- (a) Name of receiver or trustee: \_\_\_\_\_
- (b) Name of beneficiary or beneficiaries for whom trust was maintained:  
\_\_\_\_\_
- (c) Purpose of the trust: \_\_\_\_\_
- (d) Give (1) date of creation of receivership or other trust, and (2) date of acquisition of respondent: (1) \_\_\_\_\_ (2) \_\_\_\_\_

10. Did the respondent act in any of the capacities listed in Paragraph (a) below during the past year? No \_\_\_\_\_ If so,

- (a) Indicate the applicable one by an **X** in the proper space:  
 ( ) Guarantor, ( ) Surety, ( ) Principal--obligor to a surety contract,  
 ( ) Principal--obligor to a guaranty contract.
- (b) Insert a statement showing the character, extent, and terms of the primary agreement or obligation, including (1) names of all parties involved, (2) extent of liability of respondent, whether contingent or actual, (3) extent of liabilities of the other parties, whether contingent or actual, and (4) security taken or offered by respondent.

**ELECTRIC OPERATING REVENUES (Account 400) - ARKANSAS ONLY**

- |  |   |  |
|--|---|--|
| <p>1. Report below operating revenue for each prescribed account, and manufactured gas revenues in total.</p> <p>2. Report number of customers, columns (g) and (h), on the basis of meters, in addition to the number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> | <p>3. If previous year (columns (d), (f), and (h)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> | <p>5. Include unmetered sales. Provide details of such sales in a footnote.</p> <p>6. This Commission requires a reporting by Kwh rather than Mwh.</p> |
|--|---|--|

Line No.	Acct. No.	Title of Account	OPERATING REVENUES		KILOWATT HOURS SOLD		AVG. NO. OF CUSTOMERS PER MONTH	
			Amount for Year (c)	Amount for Previous Year (d)	Amount for Year (e)	Amount for Previous Year (f)	Number for Year (g)	Number for Previous Year (h)
1		Sales of Electricity						
2	440	Residential Sales	-	-	-	-	-	-
3	442	Commercial & Industrial Sales	-	-	-	-	-	-
4		Small (or Commercial) (See Instr. 4)	-	-	-	-	-	-
5		Large (or Industrial) (See Instr. 4)	-	-	-	-	-	-
6	444	Public Street & Highway Lighting	-	-	-	-	-	-
7	445	Other Sales to Public Authorities	-	-	-	-	-	-
8	446	Sales to Railroads and Railways	-	-	-	-	-	-
9	448	Interdepartmental Sales	-	-	-	-	-	-
10		TOTAL Sales to Ultimate Consumers	-	-	-	-	-	-
11	447	Sales for Resale	-	-	-	-	-	-
12		TOTAL Sales of Electricity	-	-	-	-	-	-
13	449.1	(Less) Provision for Rate Refund	-	-	-	-	-	-
14		TOTAL Rev. Net of Prov. for Refunds	-	-	-	-	-	-
15		Other Operating Revenues						
16	450	Forfeited Discounts	-	-	<b>Gross Assessable Revenues</b>			
17	451	Miscellaneous Service Revenues	-	-				
18	453	Sales of Water and Water Power	-	-	<b>Line 28 Total From this Schedule</b>			
19	454	Rent from Electric Property	-	-				
20	455	Interdepartmental Rents	-	-	<b>Add Back Line 13 Amt. (Acct. 449.1, Provision For Rate Refunds)</b>			
21	456	Other Electric Revenues	-	-				
22					<b>Less: Credit For Rate Refunds Paid This Reporting Year</b>			
23								
24					<b>Less: Sales For Resale</b>			
25								
26					<b>Total Gross Assessable Revenues</b>			
27		Total Other Operating Revenues	-	-				
28		Total Electric Operating Revenues	-	-				




UTILITY PLANT - SYSTEM	Beginning Balance	Additions	Retirements (Cr)	Adjustments	Balance at end of Year
Plant in Service (Classified) *	299,061,012	12,425,862	(12,214,270)		299,272,604
Property Under Capital Leases	4,875,620				4,875,620
Plant Purchased or Sold					
Experimental Plant Unclassified					
Plant Leased to Others					
Plant Held for Future Use					
Completed Construction not Classified					
Construction Work in Progress **	3,395,699	1,890,573		(81,673)	5,204,598
Plant Acquisition Adjustments					
Sub-Total	307,332,331	14,316,435	(12,214,270)	(81,673)	309,352,822
Other Plant Adjustments					
Other Utility Plant (itemize)					
Nuclear Fuel (in Process of Refinement, etc.)					
TOTAL	307,332,331	14,316,435	(12,214,270)	(81,673)	309,352,822
<b>UTILITY PLANT - ARKANSAS</b>					
UTILITY PLANT - ARKANSAS	Beginning Balance	Additions	Retirements (Cr)	Adjustments	Balance at end of Year
Plant in Service (Classified)	299,061,012	12,425,862	(12,214,270)		299,272,604
Property Under Capital Leases	4,875,620				4,875,620
Plant Purchased or Sold					
Experimental Plant Unclassified					
Plant Leased to Others					
Plant Held for Future Use					
Completed Construction not Classified					
Construction Work in Progress	3,395,699	1,890,573		(81,673)	5,204,598
Plant Acquisition Adjustments					
Sub-Total	307,332,331	14,316,435	(12,214,270)	(81,673)	309,352,822
Other Plant Adjustments**					
Other Utility Plant (itemize)					
Nuclear Fuel (in Process of Refinement, etc.)					
TOTAL	307,332,331	14,316,435	(12,214,270)	(81,673)	309,352,822

\* A write-off of software development costs of \$348,947 was presented as Other Plant Adjustments in 2015. That amount has been reclassified into the beginning balance of Plant in Service.

\*\* Adjustments - The \$81,673 represents writeoffs of software development costs previously capitalized.

## STATEMENT OF ACCURACY

I do hereby state that the amounts contained in this report are true and accurate, schedules have been cross-referenced by use of the attached check list, and that the accuracy of all totals has been verified by me or under my supervision. Should I or anyone under my supervision become aware of any error in or omission from this report, I will take steps to notify the Arkansas Public Service Commission of such error or omission and provide corrected schedules as soon as possible.



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President/General Manager

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

**COMPANY CONTACTS**

Company Information	
<b>Company Name</b>	Southwest Power Pool, Inc.
<b>dba</b>	
<b>Official Mailing Address</b>	201 Worthen Drive, Little Rock, AR 72223-4936
<b>Mailing Address for APSC Annual Assessment Invoice</b>	201 Worthen Drive, Little Rock, AR 72223-4936

AREA	PERSON TO CONTACT	PHONE #	FAX #	E-MAIL
Annual Report	Tom Dunn	(501) 614-3320	(501) 482-2022	<a href="mailto:tdunn@spp.org">tdunn@spp.org</a>
Fuel Adjustment Report				
Cost of Debt Report				
Tariffs				
Accounting	Tom Dunn	(501) 614-3320	(501) 482-2022	<a href="mailto:tdunn@spp.org">tdunn@spp.org</a>
Rates				
Engineering				
Finance	Tom Dunn	(501) 614-3320	(501) 482-2022	<a href="mailto:tdunn@spp.org">tdunn@spp.org</a>
Income Taxes				
Property Taxes				
Gas Supply				
Legal	Kandi Hughes	(501) 482-2398	(501) 482-2022	<a href="mailto:khughes@spp.org">khughes@spp.org</a>
Data Processing				

Please list the number of utility employees located in Arkansas 590 .