



Department of Energy
Southwestern Power Administration
One West Third Street
Tulsa, Oklahoma 74103-3502

March 25, 2016

Dear Customers:

Building on the U.S. Department of Energy's (DOE) ongoing efforts to modernize the grid and accelerate the deployment of renewable energy, Secretary of Energy Ernest Moniz announced today that DOE will participate in the development of the Plains & Eastern Clean Line Project (Project). Concurrent with the Secretary's announcement, DOE will publish on its website the executed Participation Agreement as well as a Summary of Findings that explains DOE's decision. Section III of the Summary of Findings (pages 10-15) describes the key features of the Participation Agreement, the role Southwestern will play in the Project, and DOE's conclusion that no costs associated with the Project could lawfully be recovered in Southwestern's rates.

Southwestern will act on behalf of the Secretary of Energy in overseeing certain aspects of the Project's development, construction, and maintenance, in accordance with the Participation Agreement, but will not have a financial or Project ownership role. In the coming months, Southwestern staff will work with DOE to establish a Clean Line funded team, under the cooperative direction of Southwestern's Section 1222 Program Manager and DOE's Office of Electricity Delivery and Energy Reliability, to perform the functions identified within the Participation Agreement.

Additional information regarding the Project and Southwestern's role will be provided at the upcoming Southwestern Power Resources Association meeting in May 2016. Any near-term questions regarding the Project should be directed to Joshunda Sanders in DOE's Public Affairs office via e-mail (joshunda.sanders@hq.doe.gov) or by phone (202-586-4940).

A handwritten signature in black ink, appearing to read "Scott Carpenter", with a long horizontal flourish extending to the right.

Sincerely,
Scott Carpenter
Administrator