

RECEIVED
DEC 02 2013
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 26th day of November, 2013.

In the Matter of an Investigation Into the
Possible Methods of Mitigating Identified
Harmful Effects of Entergy Joining MISO on
non-MISO Missouri Utilities and Their
Ratepayers and Maximizing the Benefits
for Missouri Utilities and Ratepayers Along
RTO and Cooperative Seams)
)
)
)
)
)
)

File No. EW-2014-0156

**ORDER OPENING A CASE TO INVESTIGATE
METHODS OF ELIMINATING OR MITIGATING
THE NEGATIVE EFFECTS OF THE MISO/SPP SEAM**

Issue Date: November 26, 2013

Effective Date: November 26, 2013

The Revised Order issued November 26, 2013 in Case No. EO-2013-0431 identified detriments to certain Missouri utilities from Entergy Arkansas, Inc.'s (EAI) integration into MISO. These detrimental effects are the result of Missouri's location along a seam between two regional transmission organizations (RTOs), the Southwest Power Pool, Inc. (SPP) and the Midcontinent Independent System Operator, Inc. (MISO). Specifically, the seam issues between SPP and MISO, exposed in EO-2013-0431, include:

- Charges to transfer electricity across the seam between MISO and the SPP, and
- The methodology for evaluating, accounting for, and control of loop flows between Missouri RTO seams.

The Public Service Commission of the state of Missouri (Commission) is in a unique position on seams issues, with Missouri Load Serving Entities (LSEs) as members of two Regional Transmission Organizations (RTO), SPP and MISO, as well as Associated Electric Cooperatives, Inc. (AECI), which is not a member of any RTO. Few states have three separate seams, much less those between an RTO and a large cooperative. This position allows and, to a certain extent, requires the Commission to consider the needs and decisions of members of all three organizations in order to fulfill the Commission's mission, which is to ensure safe and reliable service at just and reasonable rates. This position astride RTOs also means that Missouri is affected more than almost any other state by seams issues.

The Commission is opening this working case to address these seam issues and to explore policy solutions to ameliorate the negative effects of the RTO seams on Missouri ratepayers, especially. Initially, the Commission invites MISO and SPP, stakeholders within those RTOs, interested utilities and the general public to submit written comments.¹ After those comments are collected and reviewed, the Commission will schedule a workshop at which interested entities and persons can gather to discuss these matters with the Commission in person.

This file will serve as a repository for documents and comments. Using this file, any person with an interest in this matter may view documents pertaining to the investigation and may submit any pertinent responsive comments or documents. Intervention requests are not necessary to submit comments or view documents.

¹ The Commission asks that comments submitted, except those comments filed on behalf of individual natural persons or the general public, be verified by affidavit.

The public is welcome to file comments by forwarding electronic communications through the electronic filing and information system (EFIS) or by mailing written comments. You may submit electronic comments by visiting the Commission's website at <http://www.psc.mo.gov>. (Click on the EFIS/Case filings link on the left side of the page. Scroll down and click on the public comment link. Written comments in hard copy should be addressed to the Commission at P.O. Box 360, Jefferson City, Missouri 65102 and should reference File No. EW-2014-0156. You can view the contents of the file by following the link at <http://www.psc.mo.gov>.

The Commission has numerous questions and issues regarding Missouri seam issues that it asks participants to address. Please identify the individual answering the questions on behalf of the organization, the individual commenter's job title and contact information and a brief description of the commenter's professional qualifications. The list of questions is not exclusive and the parties are encouraged to provide the Commission with any information which is relevant to seam issues between MISO and SPP:

1. Are Missouri state policies related to seams issues providing Missouri utilities and ratepayers all possible benefits and reducing all possible detriments stemming from Missouri's position on the seam? If not, are there potential policy changes that could increase the benefits or reduce the detriments of Missouri being on the seams to Missouri utilities and ratepayers? If so, please provide a list of potential changes and the benefits and detriments of those potential changes.

2. Are any RTO policies related to seam issues providing Missouri utilities and ratepayers all possible benefits and reducing all possible detriments stemming from Missouri's position on the seam? If not, are there potential policy changes that could

increase the benefits or reduce the detriments of being on the seams to Missouri utilities and ratepayers? If so, please provide a list of potential changes and the benefits of those potential changes.

3. What would be the effect of SPP and MISO merging on Missouri utilities and ratepayers?

4. What are the economic advantages or disadvantages to Missouri utilities and ratepayers from the state's position on a seam? Please quantify either the advantages or disadvantages providing a detailed explanation of methodology used.

a. What parties, both inside and outside of Missouri, are currently paying the MISO-SPP Regional Through and Out Rates (RTOR) for transactions originating in either MISO or SPP and terminating in the other RTO? Are all of the currently scheduled transactions between MISO and SPP paying the MISO or SPP RTOR? What are the RTORs currently being paid or anticipated to be paid? How much have Missouri utilities paid in RTORs in the past three years, and how much do Missouri utilities anticipate they will pay in RTORs in the next three years?

b. Identify all of the currently scheduled transactions between MISO and SPP paying the RTOR?

c. What would the benefits be to Missouri utilities and ratepayers from the elimination of the MISO-SPP RTOR?

(i) What additional off system sales opportunities would be available to generators and transmission owners in Missouri if there was an elimination of the MISO-SPP RTOR?

(ii) What additional purchases of energy or capacity would be available to Missouri utilities if the MISO-SPP RTOR was eliminated? What would be the benefit of those purchases — would those purchases save Missouri ratepayers money?

(iii) Quantify the amount, and identify the sources, of savings to Missouri consumers that would occur as a result of the elimination of the MISO-SPP-RTOR.

5. What are the safety and reliability advantages or disadvantages to Missouri utilities and ratepayers from its position on a seam? Please provide a detailed explanation of the methodology used to determine issues of safety and reliability issues on the seam.

6. How are loop flow operational issues currently communicated between MISO SPP, and AECI. What are the top obstacles to reaching an agreement on seams-related issues between SPP and MISO?

7. Would some or all Missouri utilities and ratepayers be better off in the middle of an RTO versus being on the seam or edge of multiple RTOs?

8. What would be the effects on Missouri utilities and ratepayers of having all Missouri utilities in the same RTO?

- (a) Differences in RTO transmission planning.
- (b) Differences in Market Operations.
- (c) Differences in the price of purchasing energy and capacity from neighboring utilities.
- (d) Differences in consideration of loop and market flows when an RTO is determining optimal dispatch of generators.

9. What would be the effect of requiring all Missouri Load Serving Entities under Commissioner jurisdiction to join the same RTO (in dollars and construction projects)?

(a) What would the exit fees be of a Missouri utility departing their existing RTO?

(b) What would be the legal ramifications of such a position?

10. What, if any, information and analysis from the PJM-MISO "Joint and Common Market" process can be used to improve the situation of utilities along the Missouri MISO-SPP-AECI seams?

11. What will be the effect to Missouri utilities and ratepayers of MISO and SPP's expected implementation in Spring 2015 of a "Market-to-Market" process of handling congestion to utilities along the Missouri seam?

12. What are all of the currently scheduled transactions between the Entergy and SPP regions that are expected to pay the MISO RTOR if and when Entergy integrates into MISO? Does the answer to this question change depending on which Entergy facilities integrate into MISO? If so, how?

13. Would there be other Missouri non-MISO utility and ratepayer impacts as a result of changes in the MISO-SPP RTOR? If so, what are they?

14. If the MISO-SPP RTOR was eliminated, what are the types of possible replacements?

(a) How would TOs recover their costs if the RTOR were replaced with a "license plate" rate, where a rate for service that would vary based on the zone where the power was delivered?

(b) What replacement would provide the most benefit for Missouri utilities and ratepayers?

(c) What information would be needed to support any replacement to the RTOR?

15. What are the possible ways to eliminate the MISO-SPP RTOR? What information would be necessary to gain FERC approval of a MISO-SPP RTOR elimination?

16. How does FERC Order 1000, with its emphasis of interregional coordination, including interregional transmission planning, affect the future need for the current MISO-SPP RTOR?

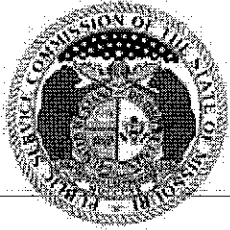
THE COMMISSION ORDERS THAT:

1. This case is established to investigate the possible methods of (1) mitigating or eliminating the harmful effects of Missouri's position along the seam between MISO and SPP; and (2) maximizing the benefits of Missouri utilities and ratepayers along RTO and Cooperative seams. The Commission's data center shall mail a copy of this notice to those potentially interested person or organizations listed in Appendix A.

2. The Commission's Public Information Office shall make this notice available to the news media of this state and to the members of the General Assembly.

3. This order shall become effective immediately upon issuance.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
and Hall, CC., concur.

Pridgin, Deputy Chief Regulatory Law Judge

APPENDIX A

Nebraska Power Review Board

Michael Siedschlag
8404 Indian Hills Drive
Omaha, NE 68154
Michael.Siedschlag@hdrinc.com

Iowa Utilities Board

Elisabeth Jacobs, Chair
1375 E. Court Avenue, Room 69
Des Moines, IA 50319-0069
iub@iub.iowa.gov

South Dakota Public Utilities Commission

Chris Nelson, Commissioner
Capitol Building, 1st Floor
500 E. Capitol Ave
Pierre, SD 57501-5070

North Dakota Public Service Commission

Brian Kalk, Chair
600 E. Boulevard, Dept. 408
Bismark, ND 58505-0480

North Dakota Public Service Commission

Randy Christmann, Commissioner
600 E. Boulevard, Dept. 408
Bismark, ND 58505-0480

North Dakota Public Service Commission

Julie Federochak, Commissioner
600 E. Boulevard, Dept. 408
Bismark, ND 58505-0480

Minnesota Public Utilities Commission

Beverly Jones Heydinger
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Minnesota Public Utilities Commission

David Boyd
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Minnesota Public Utilities Commission

Nancy Lange
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Public Service Commission of Wisconsin

Eric Castillo, Commissioner
610 N. Whitney Way
Madison, WI 53707-7854

Arkansas Public Service Commission

Olan Reeves, Commissioner
1000 Center Street
P.O.Box 400
Little Rock, AR 72203-0400

Texas Public Utilities Commission

Donna Nelson, Chair
1701 N. Congress Ave
P.O. Box 13326
Austin, TX 78711-3326
web@puc.texas.gov

Louisiana Public Service Commission

602 N. 5th St., Galvez Building, 12th Floor
P.O. Box 91154
Baton Rouge, LA 70821-9154

New Orleans City Council

1300 Oerdudi St., 2nd Floor W
New Orleans, LA 70112

Federal Energy Regulatory Commission

888 First Street, NE
Washington, DC 20426

Nebraska Public Power District

Paul Malone
907 West 25th Street
York, NE 68467
pjmalon@nppd.com

The Empire District Electric Company
Barry Warren
602 Joplin Street
Joplin, MO 64802
bwarren@empiredistrict.com

American Electric Power
Richard Ross
6705 E 81st Street
Tulsa, OK 74133
rross@aep.com

City Utilities of Springfield, Missouri
Jeff Knottek
301 E. Central
Springfield, MO 65801
jeff.knottek@cityutilities.net

OG+E Electric Services
Jacob Langthorn, IV
301 N. Harvey
Oklahoma City, OK 73102
langthis@oge.com

Kansas City Power and Light
Christopher Standifer
1201 Grand Ave.
Kansas City, MO 64141
chris.standifer@kcpl.com

Entergy Services, Inc.
Oliver Burke
6540 Watkins Drive
Jackson, MS 39213
oburke@entergy.com

Xcel Energy
Roy Boyer
6th and Tyler
Amarillo, TX 79101
roy.d.boyer@xcelenergy.com

East Texas Electric Cooperative, Inc.
Keith Tynes
1850 Parkway Pl.
Marietta, GA 30067
keith.tynes@gdsassociates.com

Seams Management Working Group (SMWG)
Chad Koch, Chair
chad.koch@we-energies.com

Seams Management Working Group (SMWG)
Marka Shaw, Vice Chair
marka.shaw@exeloncorp.com

Missouri Public Service Commission
~~Office General Counsel~~
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
Lewis Mills
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

County of Dunklin, Missouri
County Commission Clerk
Dunklin County Courthouse
PO Box 188
Kennett, MO 63857

County of New Madrid, Missouri
County Commission Clerk
New Madrid County Courthouse
P.O. Box 68
New Madrid, MO 63869

County of Oregon, Missouri
County Commission Clerk
Oregon County Courthouse
1st Floor, Room 1
P.O. Box 324
Alton, MO 65606

County of Pemiscot, Missouri
County Commission Clerk
610 Ward Ave., Ste. 2-A
Pemiscot County Courthouse
Caruthersville, MO 63830
pemcoclerk@sbcglobal.net

County of Taney, Missouri
County Commission Clerk
266-A Main Street, Taney County
Courthouse Annex
P.O. Box 156
Forsyth, MO 65653

Entergy Arkansas, Inc.
Thomas R Schwarz
308 E High Street, Ste. 301
Jefferson City, MO 65101
tschwarz@blitzbardgett.com

Midwest Independent
Transmission System Operator, Inc. (MISO)
Thomas R Schwarz
308 E High Street, Ste. 301
Jefferson City, MO 65101
tschwarz@blitzbardgett.com

**Missouri Joint Municipal Electric Utility
Commission (MJMEUC)**
Douglas L. Healy
Healy & Healy, LLC
939 Boonville, Suite A
Springfield, MO 65802
dhealy@mpua.org

Associated Electric Cooperative, Inc.
General Counsel
P.O. Box 754
2814 South Golden Avenue
Springfield, MO 65801
www.aeci.org

Ameren Missouri
P.O. Box 66149 (MC 1310)
1901 Chouteau Avenue
St. Louis, MO 63166-6149
AmerenMOService@ameren.com

Kansas City Power & Light
P.O. Box 418679
One Kansas City Place, 1200 Main Street
Kansas City, MO 64105

KCP&L Greater Missouri Operations
P.O. Box 418679
One Kansas City Place, 1200 Main Street
Kansas City, MO 64105
Empire District Electric
P.O. Box 127
602 Joplin Avenue
Joplin, MO 64802

City Utilities of Springfield
301 E. Central
Springfield, MO 65801
City of Columbia, Missouri
P.O. Box 6015
701 E. Broadway
Columbia, MO 65205

City of Hannibal, Missouri
3 Industrial Loop Drive
Hannibal, MO 63401

City of Kirkwood, Missouri
139 S. Kirkwood Road
Kirkwood, MO 63122

City of Independence, Missouri
111 E. Maple Street
Independence, MO 64050

Southwest Power Pool
201 Worthen Drive
Little Rock, AR 72223-4936

Board of Public Utilities of Kansas City, Kansas
540 Minnesota Avenue
Kansas City, KS 66101-2930
info@bpu.com

**Arkansas Electric Cooperative Corporation
(AECC)**
Robert Shields
P.O. Box 194208
Little Rock, AR 72219-4208
rshields@aecc.com

Kansas Municipal Energy Agency

Neil Rowland
6300 West 95th Street
Overland Park, KS 66212-1431
rowland@kmea.com

**Southwestern Electric Power Company
(SWEPCO)**

428 Travis St.
Shreveport, LA 71101

Southwestern Power Administration

One West Third Street
Tulsa, OK 74103-3502

Oklahoma Gas & Electric

P.O. Box 321
Oklahoma City, OK 73101-0321

Westar

Larry Irick
P.O. Box 889
818 S. Kansas Ave.
Topeka, KS 66601

American Electric Power (AEP)

1 Riverside Plaza
Columbus, OH 43215-2372

Western Area Power Administration (WAPA)

P.O. Box 281213
Lakewood, CO 80228-8213
publicaffairs@wapa.gov

Lincoln Electric System

P.O. Box 80869
Lincoln, NE 68501

**Oklahoma Municipal Power Authority, Home
Office**

P.O. Box 1960
Edmond, OK 73083

Grand River Dam Authority

P.O. Box 409
226 West Dwain Willis Avenue
Vinita, OK 74301

Louisiana Energy and Power Authority

210 Venture Way
Lafayette, LA 70507

Nebraska Public Power District

1414 15th Street
P.O. Box 499
Columbus, NE 68602-0499

Omaha Public Power District

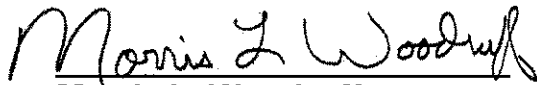
444 S. 16th St. Mall
Omaha, NE 68102-2247

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 27th day of November 2013.


Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 27, 2013

File/Case No. EW-2014-0156

Missouri Public Service Commission
Office General Counsel
200 Madison Street, Suite 800
P.O. Box 360

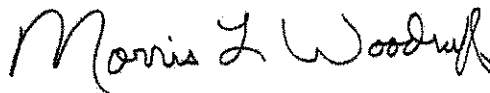
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
Lewis Mills
200 Madison Street, Suite 650
P.O. Box 2230

Jefferson City, MO 65102
opcservice@ded.mo.gov

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.