



## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

SPP Tariff/Governing Document Revisions		
Docket Number	Short Description	Summary
<b>ER08-1419</b>	SPP Submission of Tariff Revisions to Adopt a "Balanced Portfolio" Cost Allocation Process for Economic Planning Upgrades	<p>On December 16, 2011, FERC issued an Order on Rehearing and Compliance Filing.</p> <p>SPP's July 17, 2009 Request for Rehearing was denied. FERC found that the confidentiality provisions of SPP's section IX.7(d) in Attachment O unduly impedes review of SPP's Balanced Portfolio analyses by some market participants. FERC found that by imposing a blanket restriction on access to resource-specific data, section IX.7(d) does not strike an appropriate balance between transparency and confidentiality in the Balanced Portfolio review process.</p> <p>FERC accepted SPP's November 2, 2009 Compliance Filing, effective October 17, 2008, subject to a further compliance filing. FERC directed SPP to revise subsection 7(d) of the Information Exchange provisions of Attachment O of its Tariff to remove unreasonable restrictions on access to resource-specific data, and provide for access to such data under appropriate confidentiality protections as discussed in the Order.</p> <p>SPP's compliance filing is due <b>February 14, 2012</b>.</p>
<b>ER09-1050, ER11-121 and ER12-550</b>	SPP Order No. 719 Compliance Filing Pursuant to the Final Rule Issued Concerning Wholesale Competition in Regions with Organized Electric Markets in Docket No. RM07-19	<p>On October 4, 2011, FERC issued an Order on Compliance Filings and Rehearing.</p> <p>FERC denied the request for rehearing, but granted the TDU Intervenor's request for clarification and found that the Commission did not intend for its determinations in the November 20, 2009 Order to conflict with the directives in Order No. 719-A.</p> <p>FERC conditionally accepted SPP's October 27, 2009 Compliance Filing, effective December 27, 2009, as discussed in the body of the Order.</p> <p>FERC conditionally accepted SPP's May 19, 2010 Compliance Filing, effective May 19, 2010 or 60 days after SPP notification to the Commission that it has completed prerequisite system changes, as applicable, as discussed in the body of the Order.</p> <p>FERC accepted the reports submitted on May 20, 2010 by SPP and the SPP Market Monitor regarding remaining barriers to demand response.</p> <p>On October 20, 2011, FERC issued an Order on Clarification, Rehearing, and Compliance, accepting SPP's October 15, 2011 Compliance Filing which limits SPP's Market Monitoring Unit ("MMU") referral of market violations only to FERC's Office of Enforcement staff.</p> <p>FERC granted ISO New England, Inc.'s request for clarification. FERC stated the necessity of maintaining referral and investigative information as non-public in no way restricts MMUs from</p>



## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

SPP Tariff/Governing Document Revisions		
Docket Number	Short Description	Summary
		<p>collaborating with Regional Transmission Organizations (“RTO”) or Independent System Operators (“ISO”) to determine whether market violations are occurring. Therefore, FERC clarified that its market monitoring requirements do not prohibit such collaborative efforts. FERC clarified that MMUs, RTOs, and ISOs may communicate referral information with each other across regions. FERC also clarified that the Office of Enforcement may elect to share investigative information with MMUs, RTOs, and ISOs, including referral information and information obtained from third parties, as long as appropriate measures are taken to ensure that such information is not disclosed and remains confidential.</p> <p>FERC accepted SPP's revisions to Attachment AG, effective February 18, 2010.</p> <p>On November 18, 2011, SPP filed a Motion Requesting Additional Time to Implement Compliance Requirement and Request for Expedited Action and Shortened Comment Period. SPP requested additional time to implement the demand response baseline calculation, measurement, and verification standards required by Order No. 719 and the Commission's October 4, 2011 Order and proposed in SPP's May 19, 2010 Order No. 719 Compliance Filing as part of SPP's Day-Ahead and Real-Time Energy and Operating Reserves Markets. SPP requested that it be allowed to implement these requirements as part of SPP's Integrated Marketplace in early 2014.</p> <p>On November 30, 2011, FERC issued a Notice of Extension of Time for SPP to implement the demand response baseline calculation, measurement, and verification compliance set forth in Order No. 719 and the October 4, 2011 Order.</p> <p>On December 5, 2011, SPP submitted its compliance filing in Docket No. ER12-550 in response to the October 4, 2011 Order on Compliance Filings and Rehearing issued in Docket Nos. ER09-1050, ER09-748 and ER09-1192. An effective date of December 5, 2011 was requested.</p>
<p><b>ER10-1069</b></p> <p><b>and</b></p> <p><b>11-3715</b> <b>(U.S. Court of Appeals)</b></p>	<p>SPP Submission of Tariff Revisions to Adopt a "Highway/Byway" Regional Transmission Upgrade Cost Allocation Methodology</p> <p>The Empire District Electric Company, Lincoln Electric System, Nebraska Public Power District, Omaha Public Power District, and City Utilities of</p>	<p>On October 20, 2011, FERC issued an Order on Rehearing. FERC denied the requests for rehearing.</p> <p>The order affirmed all of FERC's findings in the June 17, 2010 Order that the Highway/Byway is a just and reasonable cost allocation method that complies with FERC's cost causation principle and allocates costs on a basis "roughly commensurate" with benefits.</p> <p>On December 13, 2011, The Empire District Electric Company, et al. filed a Petition for Review in Appeals Case No. 11-3715. The parties requested that the United States Court of Appeals review the June 17, 2010 and October 20, 2011 Orders issued in FERC Docket No. ER10-1069.</p> <p>On January 10, 2012, SPP filed a Motion to Intervene in Appeals Case No. 11-3715.</p>



## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

<b>SPP Tariff/Governing Document Revisions</b>		
<b>Docket Number</b>	<b>Short Description</b>	<b>Summary</b>
	Springfield, Missouri v. Federal Energy Regulatory Commission	
<b>ER11-3967</b>	SPP Order No. 741 Compliance Filing Pursuant to the Final Rule Issued Concerning Credit Reforms in Organized Wholesale Electric Markets in Docket No. RM10-13	<p>On December 14, 2011, SPP submitted its Compliance Filing pursuant to Order Nos. 741 and 741-A and the September 15, 2011 Order issued in this proceeding. SPP submitted revisions Attachment X of its Tariff to establish minimum risk management criteria that Market Participants are required to satisfy to participate in SPP markets.</p> <p>An effective date of October 1, 2011 was requested.</p>
<b>ER12-608</b>	SPP Submission of Tariff Revisions to Revise the Minimum Participation Criteria Set Forth in its Credit Policy in Attachment X to Permit Market Participants to Use Certain Parental Guaranties to Meet the Minimum Criteria for Market Participation	<p>On December 14, 2011, SPP submitted revisions to its Tariff in order to revise the minimum participation criteria set forth in SPP's credit policy to permit market participants to use certain parental guaranties to meet the minimum criteria for market participation.</p> <p>An effective date of January 1, 2012 was requested.</p>



## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

<b>Other Filings of Interest</b>		
<b>Docket Number</b>	<b>Short Description</b>	<b>Summary</b>
EL11-34	Midwest Independent Transmission System Operator, Inc. ("MISO") Petition for Declaratory Order Seeking Commission Confirmation Regarding Section 5.2 of the Joint Operating Agreement ("JOA") between MISO and SPP	On August 26, 2011, FERC issued an Order Granting Rehearing for Further Consideration of the July 1, 2011 Order.  FERC action is pending.

## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

<b>State Cases</b>		
Docket Number	Short Description	Summary
<b>Arkansas</b> <b>09-090-U</b>	In the Matter of the Impact of Federal Energy Regulatory Commission (“FERC”) Orders 719 and 719-A in FERC Docket No. RM07-19-001 on the Regulatory Authority of the Arkansas Public Service Commission	Further action in this proceeding is pending SPP’s compliance filing and FERC’s action in FERC Docket No. ER09-1050. FERC issued an Order on Compliance Filings and Rehearing on October 4, 2011.
<b>Arkansas</b> <b>10-011-U</b>	In the Matter of a Show Cause Order Directed to Entergy Arkansas, Inc. (“EAI”) Regarding Its Continued Membership in the Current Entergy System Agreement, or Any Successor Agreement Thereto, and Regarding the Future Operation and Control of Its Transmission Assets	<p>On October 28, 2011, the APSC issued Order No. 54.</p> <p>The APSC stated that EAI’s remaining, viable post-ESA reorganization options are 1) EAI as a stand-alone utility with third party pooling and other service arrangements on a short term basis; and 2) EAI as a stand-alone utility as its own member of either the Midwest Independent Transmission System Operator, Inc. (“MISO”) or SPP Regional Transmission Organization (“RTO”).</p> <p>The APSC also stated that it considers the work it does on a regional level to be a necessary component of meeting its delegated legislative duty to protect Arkansas’ interests. Therefore, when EAI joins an RTO, the Commission expects the retail regulatory group of that RTO (either the Organization of MISO States (“OMS”) or SPP Regional State Committee (“RSC)) to have legally-recognized responsibility for:</p> <ol style="list-style-type: none"> <li>1) determining regional proposals and the transition process regarding cost allocation, including whether and to what extent participant funding will be used for transmission enhancements;</li> <li>2) choosing the approach to be used for assessing resource adequacy, if any, across the entire RTO region; and</li> <li>3) determining whether transmission upgrades for remote resources will be included in the regional transmission planning process and the role of transmission owners in proposing transmission upgrades in the regional planning process. In addition, a) action by the retail regulators will be taken by a simple majority vote of the retail regulatory representatives; and b) as the retail regulators reach decisions on the methodology that will be used to address any of these issues, the RTO will file that methodology pursuant to Section 205 of the Federal Power Act.</li> </ol> <p>The APSC is concerned that although these retail regulator authorities already exist in the SPP RSC governance structure, they do not exist in the MISO OMS. Regardless of which RTO EAI seeks to join, the Commission expects the RTO’s governing structure will grant retail regulators FERC-approved decisional authority over, at a minimum, transmission cost allocation.</p> <p>EAI was directed to:</p>

## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

State Cases		
Docket Number	Short Description	Summary
		<p>1) file its complete, EAI-specific, post-ESA reorganization plans on or before January 11, 2012;</p> <p>2) file its Application to transfer operational control of its transmission facilities by November 28, 2011;</p> <p>3) file periodic status reports beginning on January 6, 2012, and on the first business day of each month thereafter.</p> <p>On November 28, 2011, EAI filed its Application to Transfer Functional Control of its Electric Transmission Facilities to the Midwest Independent Transmission System Operator Regional Transmission Organization.</p> <p>On November 28, 2011, Kurtis Castleberry, Hugh McDonald, Richard Riley, and Michael Schnitzer filed Supplemental Direct Testimony on behalf of EAI in support of EAI's Application to transfer functional control to MISO.</p> <p>On November 18, 2011, EAI filed a Petition for Clarification or, In the Alternative, Rehearing of Order No. 54. EAI requested clarification that the findings in Order No. 54 are not final determinations on the matters addressed, but rather only guidance.</p> <p>In the alternative, EAI requested rehearing regarding the following issues:</p> <ol style="list-style-type: none"> <li>1) voluntary coordination is governed by Federal Law;</li> <li>2) the Commission cannot regulate RTO governance;</li> <li>3) EAI respectfully submitted that the Commission does not have authority to manage EAI's business affairs; and</li> <li>4) EAI's plans for post system agreement operations do not constitute a reorganization.</li> </ol> <p>On December 6, 2011, the APSC issued Order No. 56 clarifying that the Commission intended to provide guidance, not a final decision, to EAI in Order No. 54.</p> <p>On December 16, 2011, the APSC issued Order No. 57 setting the following procedural schedule:</p> <p>March 16, 2012 (by Noon) - Staff and Intervenor Direct Testimony due;</p> <p>April 13, 2012 (by Noon) - EAI Rebuttal Testimony due;</p> <p>April 27, 2012 (by Noon) - Staff and Intervenor Surrebuttal Testimony due;</p> <p>May 11, 2012 (by Noon) - EAI Sur-Surrebuttal Testimony due;</p> <p>May 16, 2012 (by Noon) - Any proposed settlement agreements and/or stipulations and supporting testimonies due;</p> <p>May 30, 2012 - Evidentiary Hearing begins at 9:30 AM.</p>



## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

State Cases		
Docket Number	Short Description	Summary
		<p>On January 6, 2012, EAI filed its Responses to Order No. 54.</p> <p>On January 6, 2012, Kurtis Castleberry filed Supplemental Direct Testimony on behalf of EAI pursuant to Order No. 54.</p> <p>On January 11, 2012, Hugh McDonald and Kurtis Castleberry filed Supplemental Direct Testimony. Mr. McDonald provided an overview of the process that EAI will use for generation resource planning and operations after its participation in the System Agreement ends. Mr. Castleberry provided additional details on this process and detailed plans about EAI's post-System Agreement operation, including how EAI will operate within the MISO RTO.</p>
<b>Louisiana U-32148</b>	Joint Application of Entergy Louisiana, LLC ("ELL") and Entergy Gulf States Louisiana, L.L.C. ("EGSL") Regarding Transfer of Functional Control of Certain Transmission Assets to the Midwest Independent Transmission System Operator, Inc. ("MISO") Regional Transmission Organization ("RTO"), For an Accounting Order Deferring Related Implementation Costs and Request for Timely Treatment	<p>On October 31, 2011, ELL and EGSL filed a Joint Application Regarding Transfer of Functional Control of Certain Transmission Assets to the Midwest Independent Transmission System Operator, Inc. Regional Transmission Organization, For an Accounting Order Deferring Related Implementation Costs and Request for Timely Treatment.</p> <p>Several parties filed petitions to intervene.</p> <p>On December 6, 2011, SPP filed a Petition of Intervention.</p> <p>A status conference was held on December 20, 2011.</p> <p>On January 6, 2012, Richard Doying, Clair Moeller, and R. Wayne Schug filed Direct Testimony on behalf of MISO.</p> <p>ELL/EGSL Supplemental Direct Testimony is due <b>January 23, 2012</b>. Staff/Intervenor Direct Testimony is due <b>March 13, 2012</b>.</p>
<b>Mississippi 2011-UA-376</b>	Joint Application of Entergy Mississippi, Inc. ("EMI"), and the Midwest Independent Transmission System Operator, Inc. ("MISO"), for Transfer of Functional Control of Entergy Mississippi's Transmission Facilities to MISO	<p>On December 2, 2011, EMI and the MISO filed a Joint Application for EMI to transfer functional control to MISO.</p> <p>On December 2, 2011, EMI and MISO filed testimony in support of the Joint Application.</p> <p>On December 28, 2011, SPP filed a Petition to Intervene.</p> <p>On January 9, 2012, MPSC issued an order granting SPP's Petition to Intervene.</p>
<b>Missouri</b>	In the Matter of an Investigation	On October 4, 2011, the MoPSC held a workshop to discuss Demand Response aggregation issues related



## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

State Cases		
Docket Number	Short Description	Summary
<b>EW-2010-0187</b>	into the Coordination of State and Federal Regulatory Policies for Facilitating the Deployment of all Cost-Effective Demand-Side Savings to Electric Customers of All Classes Consistent with the Public Interest	to Aggregators of Retail Customers, Independent System Operators and Regional Transmission Organizations.
<b>Missouri EO-2012-0135</b>	In the Matter of the Application of Kansas City Power & Light Company ("KCPL") for Authority to Extend the Transfer of Functional Control of Certain Transmission Assets to the Southwest Power Pool, Inc.	On November 1, 2011, the MoPSC issued a Notice Opening File.  On November 29, 2011, the MoPSC issued an Order Granting the Requests to Intervene of SPP, Dogwood Energy, LLC, and The Empire District Electric Company.
<b>Missouri EO-2012-0136</b>	In the Matter of the Application of KCP&L Greater Missouri Operations Company ("KCPL-GMO") for Authority to Extend the Transfer of Functional Control of Certain Transmission Assets to the Southwest Power Pool, Inc.	On November 1, 2011, the MoPSC issued a Notice Opening File.  On November 29, 2011, the MoPSC issued an Order Granting the Requests to Intervene of SPP, Dogwood Energy, LLC, and The Empire District Electric Company.
<b>Oklahoma PUD 201000043</b>	Inquiry of the Oklahoma Corporation Commission ("OCC") to Investigate Issues Arising from the Federal Energy Regulatory Commission's Orders No. 719, 719-A and 719-B	Further action in this proceeding is pending SPP's compliance filing and FERC's action in FERC Docket No. ER09-1050. FERC issued an Order on Compliance Filings and Rehearing on October 4, 2011.
<b>Texas 38877</b>	Application of Southwestern Public Service Company ("SPS") to Amend a Certificate of Convenience and Necessity for a Proposed Tuco to Texas/Oklahoma Interconnection 345-kV Transmission Line Within Hale, Floyd, Motley,	A settlement conference was held on October 17, 2011.  On October 28, 2011, Michael Lee filed Direct Testimony on behalf of the Public Utility Commission of Texas.  On November 8, 2011, Intervenors filed Cross-Rebuttal Testimony.  On December 2, 2011, SPS filed Rebuttal Testimony.





## Regulatory Update - Activity in Significant Dockets Fourth Quarter 2011

State Cases		
Docket Number	Short Description	Summary
	Cottle, Briscoe, Hall, Childress, Donley, Collingsworth, and Wheeler Counties	<p>A Hearing on the Merits was held January 3, 2012.</p> <p>On January 4, 2012, Anastacia Santos and Jeffrey Stebbins filed Supplemental Testimony in Support of Settlement on behalf of SPS.</p>