



## Regulatory Update - Activity in Significant Dockets Second Quarter 2012

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 May 11, 2012, SPP submitted its compliance filing pursuant to the December 16, 2011 Order on Rehearing and Compliance Filing.</p> <p>An effective date of July 26, 2010 was requested.</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 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>FERC action is pending.</p>
<b>ER12-1179</b>	SPP Submission of Tariff Revisions to Implement SPP Integrated Marketplace	<p>On May 15, 2012, SPP submitted an amendment to its February 29, 2012 Filing to implement the Integrated Marketplace.</p> <p>On May 15, 2012, SPP filed an answer in response to comments and protests submitted in this proceeding.</p> <p>SPP stated:</p> <ol style="list-style-type: none"> <li>1) SPP fully addressed all market power and market mitigation issues in the design of the Integrated Marketplace;</li> <li>2) challenges to SPP's proposed treatment of grandfathered agreements are unsupported and should be rejected;</li> <li>3) the Integrated Marketplace filing sufficiently addresses firm transmission rights in the first year of market operation;</li> <li>4) criticisms of SPP's Day-Ahead must offer requirement ignore Commission precedent;</li> <li>5) intervenors misinterpret SPP's statements regarding reserve sharing;</li> <li>6) the proposed Integrated Marketplace registration moratorium will not preclude resources from coming on-line;</li> <li>7) SPP's proposed Auction Revenue Rights methodology is just and reasonable;</li> <li>8) the Integrated Marketplace accommodates bilateral transactions;</li> <li>9) the Variable Energy Resource ("VER") provisions of the Integrated Marketplace are appropriate;</li> <li>10) Western Area Power Administration's ("Western") proposed tariff revisions should be vetted through conventional SPP Stakeholder processes;</li> <li>11) DC Energy's challenges to the Integrated Marketplace design should be rejected;</li> <li>12) contrary to Midwest Independent Transmission System Operator, Inc.'s suggestion, SPP's Joint Operating Agreement with Western will have little impact on the implementation of the Integrated Marketplace;</li> <li>13) Nebraska Public Power District's request to be held harmless from congestion and marginal loss</li> </ol>



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		<p>charges should be rejected; and 14) the Integrated Marketplace registration provisions are based on the EIS Market provisions and are reasonable.</p> <p>Several parties filed answers or Protests in response to SPP's May 15, 2012 Answer and Amendatory Filing.</p> <p>On June 26, 2012, SPP filed an answer in response to various pleadings filed in response to SPP's May 15, 2012 Answer and Amendatory Filing.</p> <p>SPP stated:</p> <ol style="list-style-type: none"> <li>1) challenges and requested modifications to SPP's treatment of grandfathered agreements are unsupported and should be rejected;</li> <li>2) objections to SPP's proposed market mitigation procedures lack merit and should be rejected;</li> <li>3) the Integrated Marketplace Filing sufficiently addresses firm transmission rights in the first year of market operation;</li> <li>4) the dispatchable variable energy resource provisions of the Integrated Marketplace are reasonable and should be approved;</li> <li>5) contrary to Westar Energy, Inc.'s objection, regional allocation of costs associated with locally-committed generation is reasonable; and</li> <li>6) certain clarifications requested by TDU Intervenors are appropriate and consistent with SPP's intentions.</li> </ol>
<b>EL12-2</b>	Investigation Under Section 206 of the Federal Power Act ("FPA") to Determine the Justness and Reasonableness of Certain Language in Section VII.8(b) of Attachment O of SPP's Tariff	<p>On March 30, 2012, in Docket No. ER12-1402, SPP submitted revisions to its OATT to revise Section VII.8(b) of Attachment O to delete language indicating that "[i]ndividuals that do not belong to a confirmed pre-screened Member or Market Participant shall be directed to the Commission's website for instructions for access to CEII information" in compliance with the February 29, 2012 Order issued in Docket Nos. ER09-659 and EL12-2. An effective date of March 30, 2012 was requested.</p> <p>FERC action is pending.</p>
<b>ER12-1402</b>	SPP Submission of Tariff Revisions to Section VII.8(b) of Attachment O	



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<b>Other Filings of Interest</b>		
Docket Number	Short Description	Summary
<p><b>EL11-34</b></p> <p><b>and</b></p> <p><b>12-1158</b> <b>(U.S. Court of Appeals)</b></p>	<p>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</p> <p>Southwest Power Pool, Inc. v. Federal Energy Regulatory Commission</p>	<p>On March 23, 2012, SPP filed in Case No. 12-1158, before the U.S. Court of Appeals for the District of Columbia Circuit, a Petition for Review of two orders that FERC issued in Docket No. EL11-34 on July 1, 2011 and January 26, 2012.</p> <p>Numerous entities filed motions to intervene.</p> <p>SPP filed its Statement of Issues with the Court on April 24, 2012.</p> <p>Several parties filed Statements of Issues with the Court on May 23-25, 2012.</p>
<p><b>EL12-60</b></p>	<p>SPP, Western Area Power Administration ("Western"), Basin Electric Power Cooperative ("Basin Electric") and Heartland Consumers Power District ("Heartland") (collectively "Petitioners") Filing of a Joint Petition for Declaratory Order and Request for Shortened Notice Period and for Expedited Treatment Seeking Confirmation that the Terms of the Congestion Management Process ("CMP") in the Joint Operating Agreement ("JOA") between SPP and the Midwest Independent Transmission System Operator, Inc. ("MISO") Apply to the Reciprocal Coordinated Flowgates ("RCFs") of a Third Party Who has</p>	<p>On April 24, 2012, the Petitioners filed a Joint Petition for Declaratory Order and Request for Shortened Notice Period and for Expedited Treatment seeking confirmation that the terms of the CMP in the MISO-SPP JOA Apply to the RCFs of a third party who has entered into a Reciprocal Coordination Agreement with SPP.</p> <p>Several parties filed comments or Protests.</p> <p>On June 12, 2012, the Petitioners filed an answer in response to Protests filed in this proceeding.</p> <p>The Petitioners stated:</p> <ol style="list-style-type: none"> <li>1) MISO is obligated by the MISO-SPP JOA to treat the flowgates that are impacted by MISO and Western as RCFs;</li> <li>2) the Protestors' arguments concerning the scope of the flowgates that MISO must treat as RCFs are not persuasive; and</li> <li>3) the Protestors' other arguments confuse the issue in this proceeding and have no merit.</li> </ol>



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<b>Other Filings of Interest</b>		
Docket Number	Short Description	Summary
	Entered into a Reciprocal Coordination Agreement with SPP	
<b>ER09-659, ER12-1401 and ER12-1779</b>	SPP Filing of an Executed Letter Agreement Regarding Inter-Regional Planning between SPP and Entergy Services, Inc. ("Entergy") (SPP-Entergy Seams Agreement) (FERC Rate Schedule No. 11)	<p>On May 14, 2012, in Docket No. ER12-1779, SPP submitted revisions to the SPP-Entergy Seams Agreement governing regional transmission planning pursuant to Order No. 890, in compliance with the February 29, 2012 Order issued in Docket Nos. ER09-659 and EL12-2. An effective date of May 14, 2012 was requested.</p> <p>FERC action is pending.</p>
<b>ER12-1586</b>	SPP Submission of an Executed Joint Operating Agreement ("JOA") Between SPP and Western Area Power Administration, Upper Great Plains Region ("Western") (SPP-WAPA JOA) (FERC Rate Schedule No. 13)	<p>On April 20, 2012, SPP submitted for filing an executed JOA between SPP and Western Area Power Administration, Upper Great Plains Region. An effective date of April 30, 2012 was requested.</p> <p>Several parties filed comments or Protests.</p> <p>On May 29, 2012, SPP, Western, Basin Electric Power Cooperative, and Heartland Consumers Power District filed an answer in response to Protests and Comments filed in this proceeding. The parties stated:</p> <ol style="list-style-type: none"> <li>1) the Commission should reject Midwest Independent Transmission System Operator, Inc.'s ("MISO") attempt to force the Integrated System Parties to share their contract path capacity with MISO;</li> <li>2) there is no merit to MISO's assertion that the Commission should reject the JOA as a patent nullity;</li> <li>3) MISO's assertion that the JOA provides for compensation for loop flows is incorrect;</li> <li>4) there is no merit to MISO's assertions that the JOA is unjust and unreasonable;</li> <li>5) the JOA does not impose unreasonable limitations on market-to-market congestion management;</li> <li>6) the SPP-Western JOA does not amend the MISO-SPP JOA;</li> <li>7) the SPP-Western JOA is consistent with the Congestion Management Process;</li> <li>8) the MISO Transmission Owners' Assertion that the SPP-Western JOA is inconsistent with Module F of the MISO Tariff is irrelevant and illogical; and</li> <li>9) the Commission should reject MISO's challenge to the request for an April 30, 2012 effective date.</li> </ol> <p>On June 19, 2012, FERC issued a deficiency letter to SPP requesting additional information in order to process the filing. SPP's response is due on <b>July 19, 2012</b>.</p>
<b>ES12-20</b>	SPP Application Under Section 204 of the Federal Power Act ("FPA") for an Order Authorizing the Issuance of	On April 2, 2012, FERC issued a letter order granting SPP's application to issue Promissory Notes in an aggregate principal amount not to exceed \$125 million. SPP's authorization to issue Promissory Notes expires April 2, 2014.



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<b>Other Filings of Interest</b>		
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	Securities (\$125 Million)	On June 21, 2012, SPP filed its Report of Securities Issues pursuant to Section 34.10 of the Commission's Regulations.



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<b>State Cases</b>		
Docket Number	Short Description	Summary
<b>Arkansas 04-137-U</b>	SPP Application before the Arkansas Public Service Commission ("APSC") for a Certificate of Public Convenience and Necessity ("CCN")	<p>On June 1, 2012, Southwestern Electric Power Company ("SWEPCO") filed its Annual Report pursuant to Order No. 9.</p> <p>SWEPCO stated its Arkansas retail jurisdictional customers have benefited by an estimated \$2.4 million from its participation in the SPP Energy Imbalance Services ("EIS") Market for the time period February 1, 2007 through December 31, 2011. SWEPCO stated for 2011, the net benefit for Arkansas retail jurisdictional customers was a negative \$37,000.</p> <p>On June 1, 2012, Oklahoma Gas and Electric Company ("OG&amp;E") filed its Annual Report pursuant to Order No. 9.</p> <p>For the period 2007-2011, OG&amp;E's calculations reflected a total company net benefit of \$30.3 million of which \$3.7 million is attributable to Arkansas customers. OG&amp;E stated for 2011, its total company net benefit was a negative \$8.6 million of which a negative \$0.82 million is attributable to Arkansas customers.</p> <p>On June 1, 2012, The Empire District Electric Company ("Empire") filed its Annual Report pursuant to Order No. 9.</p> <p>Empire stated its calculations reflect a total company estimated net savings of \$24.911 million for 2007-2011, with a cumulative net savings of \$731,829 to Arkansas ratepayers. Empire's 2011 total company net savings was approximately \$3.306 million with net savings to the Arkansas jurisdiction of \$99,214.</p>
<b>Arkansas 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. SPP submitted its compliance filing on December 5, 2011, in response to FERC's Order on Compliance Filings and Rehearing issued October 4, 2011.
<b>Arkansas 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	<p>On April 13, 2012, Entergy Arkansas, Inc. filed Rebuttal Testimony.</p> <p>On April 27, 2012, Staff and Intervenors filed Surrebuttal Testimony. Carl Monroe filed Surrebuttal Testimony on behalf of SPP.</p> <p>On May 11, 2012, Entergy Arkansas, Inc. filed Sur-Surrebuttal Testimony.</p>

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State Cases		
Docket Number	Short Description	Summary
	Any Successor Agreement Thereto, and Regarding the Future Operation and Control of Its Transmission Assets	An evidentiary hearing was held May 30-31, 2012.
<b>Louisiana U-32148</b>	Joint Application of Entergy Louisiana, LLC (“ELL”) and Entergy Gulf States Louisiana, L.L.C. (“EGSL”) (collectively “Entergy”) 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 April 10, 2012, Staff and Intervenors filed Cross-Answering Testimony.</p> <p>On April 19, 2012, Entergy and MISO filed Rebuttal Testimony.</p> <p>A hearing was held May 2-3, 2012.</p> <p>On June 28, 2012, the LPSC issued an Order approving Entergy's Application as being in the public interest, subject to conditions as specified in the Order.</p>
<b>Louisiana – City of New Orleans UD-11-01</b>	Initiating Investigation of the Potential Costs and Benefits of Entergy New Orleans, Inc. and Entergy Louisiana, LLC Joining a Regional Transmission Organization Versus the Continuation of the Entergy Independent Coordinator of Transmission with Enhancements	<p>On May 7, 2012, the Advisors to the Council of the City of New Orleans filed Direct Testimony.</p> <p>On June 7, 2012, Entergy filed Cross-Answering Testimony.</p> <p>The remainder of the Procedural Schedule is as follows:  <b>August 3, 2012</b> - Intervenor and Advisors Cross-Answering Testimony  <b>August 22, 2012</b> - Entergy Rebuttal Testimony  <b>September 18, 2012</b> - Evidentiary Hearing commences  <b>September 28, 2012</b> - Hearing Officer to certify record of these proceedings</p>
<b>Louisiana – City of New Orleans UD-12-01</b>	Investigation of the Proposed Divestiture of the Transmission Assets of Entergy New Orleans, Inc. (“ENO”) and Entergy Louisiana, LLC (“ELL”) to ITC Holdings Corp.	On June 14, 2012, the Advisors to the Council of the City of New Orleans submitted its First Set of Requests for Information to Entergy New Orleans, Inc.
<b>Mississippi 2011-UA-376</b>	Joint Application of Entergy Mississippi, Inc. (“EMI”), and	On April 27, 2012, Intervenors filed Direct Testimony. Carl Monroe and Ralph Luciani filed Direct Testimony on behalf of SPP.



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	the Midwest Independent Transmission System Operator, Inc. ("MISO"), for Transfer of Functional Control of Entergy Mississippi's Transmission Facilities to MISO	<p>On June 13, 2012, the Mississippi Public Utilities Staff filed Direct Testimony.</p> <p>On June 25, 2012, EMI and the MISO filed Rebuttal Testimony.</p> <p>The remainder of the Procedural Schedule is as follows:  <b>July 16, 2012</b> - Technical Conference  <b>July 17, 2012</b> - Prehearing Conference  <b>July 19-20, 2012</b> - Hearing  <b>August 31, 2012</b> - Final Order</p>
<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.	<p>On April 30, 2012, MoPSC Staff filed its Status Report.</p> <p>A pre-hearing conference was held on June 11, 2012.</p>
<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.	<p>On April 30, 2012, MoPSC Staff filed its Status Report.</p> <p>A pre-hearing conference was held on June 11, 2012.</p>
<b>Missouri EO-2012-0269</b>	In the Matter of The Empire District Electric Company's ("Empire") Submission of Its Interim Report Regarding Participation in the Southwest Power Pool, Inc.	<p>On May 11, 2012, SPP filed a Motion to Intervene.</p>
<b>Oklahoma PUD 20100043</b>	Inquiry of the Oklahoma Corporation Commission ("OCC") to Investigate Issues Arising from the Federal Energy Regulatory Commission's Orders	<p>Further action in this proceeding is pending SPP's compliance filing and FERC's action in FERC Docket No. ER09-1050. SPP submitted its compliance filing on December 5, 2011, in response to FERC's Order on Compliance Filings and Rehearing issued October 4, 2011.</p>





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State Cases		
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	No. 719, 719-A and 719-B	
<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, Cottle, Briscoe, Hall, Childress, Donley, Collingsworth, and Wheeler Counties	On May 1, 2012, the PUCT issued an Order approving SPS' Application to amend a Certificate of Convenience and Necessity for a proposed 345 kV transmission line within Hale, Floyd, Motley, Cottle, Briscoe, Hall, Childress, Donley, Collingsworth, and Wheeler Counties, Texas.
<b>Texas 40346</b>	Application of Entergy Texas, Inc. ("ETI") for Approval to Transfer Operational Control of its Transmission Assets to the Midwest Independent Transmission System Operator, Inc. ("MISO") Regional Transmission Organization ("RTO")	<p>On April 30, 2012, ETI filed an application seeking approval to transfer operational control of its transmission assets to the MISO RTO.</p> <p>On May 8, 2012, SPP filed a Motion to Intervene.</p> <p>On May 10, 2012, Parties filed Lists of Issues.</p> <p>On May 14, 2012, Parties filed Briefs on Threshold Issues.</p> <p>A prehearing conference was held on May 23, 2012.</p> <p>On June 1, 2012, ETI filed Supplemental Direct Testimony.</p> <p>On July 6, 2012, Intervenors filed Direct Testimony. Carl Monroe and Ralph Luciani filed Direct Testimony on behalf of SPP.</p> <p>The remainder of the procedural schedule is as follows:            July 13, 2012 - Responses to Objections to Applicant's Supplemental Direct Testimony            July 13, 2012 - Intervenor Supplemental Direct Testimony            July 16, 2012 - Staff Direct Testimony            July 17, 2012 - Responses to Objections to Intervenor Direct Testimony            July 18, 2012 - Objections to Intervenor Supplemental Direct Testimony            July 20, 2012 - Statements of Position            July 20, 2012 - Intervenor Cross-Rebuttal Testimony            July 23, 2012 - Written discovery on Intervenors' and Staff's cases ends</p>



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State Cases		
Docket Number	Short Description	Summary
		July 23, 2012 - Objections to Staff's Direct Testimony July 23, 2012 - Applicant Rebuttal Testimony July 24, 2012 - Response to Objections to Intervenor Supplemental Direct Testimony July 26, 2012 - Objections to Intervenor Cross- Rebuttal Testimony, Responses to Objections to Staff Direct Testimony, and Objections to Applicant's Rebuttal Testimony July 26, 2012 - Written discovery ends on Applicant's Rebuttal Testimony Live at Hearing - Replies to Objections to Cross-Rebuttal Testimony and Applicant Rebuttal Testimony July 30-August 3, 2012 - Hearing on the Merits