



Regulatory Update - Activity in Significant Dockets Third Quarter 2012

SPP Tariff/Governing Document Revisions		
Docket Number	Short Description	Summary
ER12-1179	SPP Submission of Tariff Revisions to Implement SPP Integrated Marketplace	<p>On July 9, 2012, the Omaha Public Power District (“OPPD”) filed an answer in response to SPP’s June 26, 2012 Answer.</p> <p>OPPD requested that the Commission direct SPP to recognize the transmission border points referenced in OPPD’s May 25, 2012 Answer as settlement locations for transmission transactions under the SPP Tariff so that OPPD may obtain and use Auction Revenue Rights and Transmission Congestion Rights consistent with SPP’s representations in its Integrated Marketplace filing and SPP’s May 15, 2012 Answer.</p> <p>On July 11, 2012, E.ON Climate & Renewables North America LLC (“E.ON”) filed an answer in response to SPP’s June 26, 2012 Answer.</p> <p>E.ON stated:</p> <ol style="list-style-type: none"> 1) the compensation and charge issues E.ON raised in its May 30 Answer bear directly on whether SPP’s proposed Integrated Marketplace design is just and reasonable and thus are appropriately resolved in this docket; 2) if SPP’s use of persistence forecasting is accepted by the Commission, then SPP’s Tariff should reflect the limited application SPP proposes; and 3) SPP’s latest clarification still does not make its proposed Dispatchable Variable Energy Resources (DVER) Ramp Rate limitations just and reasonable and not unduly discriminatory. <p>On July 11, 2012, Missouri River Energy Services (“MRES”) and Heartland Consumers Power District (“Heartland”) filed a Conditional Withdrawal of Protest. MRES and Heartland stated if they correctly understand SPP’s June 26, 2012 filing to recognize that service to MRES and Heartland under the 1977 Transmission Service Agreement will not be affected by or subject to SPP’s proposed Integrated Marketplace, then MRES and Heartland withdraw the MRES Protest and Answer.</p> <p>On October 11, 2012, the Midwest Independent Transmission System Operator, Inc. filed amended comments. MISO requested that the Commission expressly address market-to-market coordination in part of its review of the Integrated Marketplace proposal.</p>
EL12-2	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 July 31, 2012, in Docket No. ER12-2366, SPP submitted revisions to Attachment O, Section VII.8(b) of its Tariff in compliance with the February 29, 2012 Order issued in Docket Nos. ER09-659 and EL12-2. SPP modified the language to state that individuals not belonging to a confirmed pre-screened Member or Market Participant shall make application for approval to obtain Critical Energy Infrastructure Information (CEII) used in the transmission planning process in accordance with the procedures posted on the SPP website.</p> <p>An effective date of July 31, 2012 was requested.</p>



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ER12-1402	SPP Submission of Tariff Revisions to Section VII.8(b) of Attachment O	
ER12-2366	SPP Submission of Tariff Revisions to Modify Section VII.8(b) of Attachment O in Compliance with Order issued in ER09-659 and EL12-2	
ER12-2292	SPP Submission of Tariff Revisions to Attachment AE to Facilitate the Systematic Rather than Manual Curtailment of Non-Dispatchable Resources in the Energy Imbalance Services Market ("EIS Market") During Period of Congestion	<p>On July 23, 2012, SPP submitted revisions to Attachment AE of its Tariff in order to facilitate the systematic rather than manual curtailment of Non-Dispatchable Resources in the SPP EIS Market during period of congestion.</p> <p>An effective date of October 15, 2012 was requested. SPP requested that the Commission rule on this filing within 60 days so that SPP can complete the design, development, and testing of necessary software to implement the changes on the effective date.</p> <p>Several parties filed Motions to Intervene and/or Comments or Protests.</p> <p>On September 20, 2012, FERC issued an Order Conditionally Accepting Tariff Revisions, effective October 15, 2012 as requested.</p> <p>FERC directed SPP to make a compliance filing that revises the Tariff provisions to specify that automated curtailment applies only prospectively to Non-Dispatchable Resources that become commercially operable on or after October 15, 2012.</p> <p>Further, FERC conditionally accepted that part of SPP's proposal that applies to existing Non-Dispatchable Resources (i.e. commercially operable prior to October 15, 2012), subject to a compliance filing with tariff revisions reflecting the results of stakeholder process. This stakeholder process will address the issues raised by the existing Non-Dispatchable Resources in a manner that is consistent with ensuring reliability, with the results of the stakeholder process to become effective a year from the date of this order.</p> <p>FERC directed SPP to revise proposed Section 4.3(i) and Section 5.5(f) to delete the reference to "all of" in the phrase "Qualifying Facility exercising its rights under PURPA to deliver all of its net output to its host utility" to be consistent with the requirements of section 292.304(d)(1) of the Commission's regulations which permits any Qualifying Facility ("QF") to decide how much energy is available for such</p>



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		<p>purchases.</p> <p>FERC conditionally accepted SPP's proposed curtailment of unscheduled output at TLR level 5 on an equivalent basis with firm transmission service, for the output of QFs sold under PURPA. FERC stated that to the extent that a Non-Dispatchable Resource is a designated network resource, it should be assigned TLR level 5 curtailment priority, on an equivalent basis with other firm designated network resources, up to the level of output designated for that resource (provided that the aggregate generation from designated network resources for a particular network load does not exceed the associated network load plus losses). FERC directed SPP to include this modification in the compliance filing or explain why it cannot operationally satisfy this provision.</p> <p>SPP's Compliance Filing is due December 19, 2012.</p>
ER12-2387	SPP Submission of Tariff Revisions to Implement Balanced Portfolio Transfers	<p>On August 2, 2012, SPP submitted revisions to its Tariff to update revenue requirements and associated rates in Attachments H and T in order to implement the initial reallocation of revenue requirements pursuant to Attachments J and O of the Tariff (Balanced Portfolio Transfers). An effective date of October 1, 2012 was requested.</p> <p>Several parties filed Motions to Intervene and/or Comments.</p> <p>On September 7, 2012, SPP filed an answer in response to Comments filed in this proceeding.</p> <p>On September 26, 2012, SPP filed a Motion to Amend Filing and Amend Answer. SPP requested to amend its August 2, 2012 Filing in response to recent Commission Orders. SPP also amended its September 7, 2012 Answer. An effective date of October 1, 2012 was requested.</p>

Other Filings of Interest		
Docket Number	Short Description	Summary
<p>EL11-34</p> <p>and</p> <p>12-1158 (U.S. Court of Appeals)</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 August 20, 2012, the United States Court of Appeals issued an Order establishing the briefing schedule as follows in Case No. 12-1158:</p> <p>October 2, 2012 - Petitioner's Brief; October 17, 2012 - Intervenors for Petitioner's Brief; December 17, 2012 - Respondent's Brief; December 31, 2012 - Intervenors for Respondent's Brief; January 14, 2013 - Intervenors for Petitioner's Reply Brief; January 14, 2013 - Petitioner's Reply Brief; January 22, 2013 - Deferred Appendix; and February 5, 2013 - Final Briefs.</p> <p>On October 2, 2012, SPP filed its Opening Brief Case No. 12-1158.</p> <p>SPP stated:</p> <ol style="list-style-type: none"> 1) having resorted to extrinsic evidence to ascertain the meaning of Section 5.2, FERC was compelled to support its interpretation with substantial evidence and to consider all relevant evidence, not merely evidence that FERC perceived to be consistent with its interpretation; 2) proper consideration of SPP's proffered evidence would have demonstrated the error in the Commission's interpretation of Section 5.2; 3) FERC's "contextual" analysis of Section 5.2 does not support and, in fact, undercuts FERC's conclusion; and 4) FERC's straw-man argument regarding inferred intentions is based on a fundamental misunderstanding of the contract.
<p>EL12-60</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</p>	<p>On September 18, 2012, FERC issued an Order Granting Petition for Declaratory Order and Conditionally Accepting Joint Operating Agreement.</p> <p>FERC found that the Congestion Management Process requires reciprocity with third parties that have entered into reciprocal coordination agreements with one or more of the parties to a reciprocal agreement. Because Western and MISO both have reciprocal coordination agreements with SPP, FERC found that MISO must treat its flowgates with Western as reciprocal coordinated flowgates.</p>

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	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 Entered into a Reciprocal Coordination Agreement with SPP	
ER12-1586	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 July 20, 2012, SPP submitted its responses to the June 19, 2012 deficiency letter.</p> <p>On September 18, 2012, FERC issued an Order Granting Petition for Declaratory Order and Conditionally Accepting Joint Operating Agreement.</p> <p>FERC conditionally accepted the proposed Western-SPP JOA, subject to the revisions SPP proposed in the July 20, 2012 response to deficiency letter. FERC also directed SPP to revise the JOA to clarify that the term "energy exchange" as applied in sections 5.4 - 5.6 relates only to energy sourced in Western or SPP.</p> <p>SPP's Compliance Filing is due October 18, 2012.</p>
ER12-2390	Entergy Services, Inc. ("ESI") Request for an Interim Extension of the Independent Coordinator of Transmission ("ICT") Arrangement and the Transfer from SPP to Midwest Independent Transmission System Operator, Inc. ("MISO") as the Provider of ICT Services	<p>On August 2, 2012, ESI requested that the Commission approve 1) an interim extension of the ICT arrangement through and until the earlier of December 31, 2014 or the date of the proposed transfer of functional control of the Operating Companies' transmission assets to the MISO Regional Transmission Organization is completed; and 2) the transfer from SPP to MISO as the provider of ICT services, effective December 1, 2012. An effective date of December 1, 2012 was requested.</p> <p>Several parties filed Motions to Intervene and/or Comments or Protests.</p> <p>On August 23, 2012, SPP filed a Motion to Intervene and Comments.</p> <p>On October 2, 2012, FERC issued an Order Accepting Amended Agreement and Proposed Tariff Revisions.</p> <p>FERC accepted ESI's:</p>



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		<p>1) proposed extension of Attachment W from November 17, 2012 to November 30, 2012;</p> <p>2) proposed transfer of ICT functions from SPP to MISO effective December 1, 2012; and</p> <p>3) proposal to allow Attachment W remain effective until May 31, 2013, or earlier as determined by the parties, in order to allow for SPP to provide the needed transition assistance services.</p> <p>FERC also accepted ESI's proposal to extend the ICT Agreement until the earlier of December 31, 2014 or the proposed date of transfer of ESI's transmission assets to MISO.</p>
ER12-2681 EC12-145 EL12-107	Joint Application of ITC Holdings Corp. ("ITC") and Entergy Corporation ("Entergy") for Authorization of Acquisition and Disposition of Jurisdictional Transmission Facilities, Approval of Transmission Service Formula Rate and Certain Jurisdictional Agreements, and Petition for Declaratory Order on Application of Section 305(a) of the Federal Power Act	<p>On September 24, 2012, ITC Holdings Corp. and Entergy Corporation filed a Joint Application for Authorization of Acquisition and Disposition of Jurisdictional Transmission Facilities, Approval of Transmission Service Formula Rate and Certain Jurisdictional Agreements, and Petition for Declaratory Order on Application of Section 305(a) of the Federal Power Act.</p> <p>The Applicants requested that the Commission provide an extended comment period of 45 days. The Applicants also requested that FERC issue an order on the Application within 180 days.</p> <p>The Applicants requested that the effective date of the tariff sheets be deferred until the closing date of the transaction.</p> <p>Several parties filed Motions to Intervene.</p> <p>On October 4, 2012, the Entergy Retail Regulators filed a Motion for Extension of Comment Deadline. The Parties requested the comment deadline be extended until December 7, 2012.</p> <p>On October 9, 2012, ITC and Entergy filed an answer stating they do not oppose the Entergy Retail Regulators' Motion for Extension of Comment Deadline</p>

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State Cases		
Docket Number	Short Description	Summary
Arkansas 04-137-U	SPP Application before the Arkansas Public Service Commission ("APSC") for a Certificate of Public Convenience and Necessity ("CCN")	<p>On September 21, 2012, Southwestern Electric Power Company ("SWEPCO"), Oklahoma Gas and Electric Company ("OG&E"), and The Empire District Electric Company ("Empire") filed a Joint Petition for Approval to Participate in Southwest Power Pool's Integrated Marketplace and for Declaratory Relief.</p> <p>On September 21, 2012, SWEPCO, OG&E, and Empire filed the Direct Testimony of Carl Monroe in support of the Joint Petition.</p> <p>On October 1, 2012, the APSC General Staff filed its Response to the Joint Motion for Approval to Participate in Southwest Power Pool's Integrated Marketplace and for Declaratory Relief.</p> <p>Staff requested that the Commission issue an order authorizing the utilities to participate in SPP's Integrated Marketplace, and for a declaration that Condition Nos. 1, 2, 3(a), and 4 of Order No. 6 issued in this proceeding are no longer applicable once SPP's Integrated Marketplace is fully implemented.</p>
Arkansas 10-011-U	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 August 3, 2012, the APSC issued Order No. 68. The APSC stated it was unable to reach a finding that EAI's Application is in the public interest. However, if EAI and Midwest Independent Transmission System Operator, Inc. ("MISO") meet the conditions specified in the Order, and upon proper motion and proof of compliance in the form of sworn testimony by EAI and MISO officials who are expressly authorized to commit their respective organizations, the Commission will make a determination whether EAI and MISO have complied with the conditions. Upon finding by the Commission that the conditions are met, the Commission will grant conditional approval of EAI's Application as being in the public interest, and will authorize EAI to sign the MISO Transmission Owners Agreement and move forward with the MISO integration process.</p> <p>On August 24, 2012, EAI filed a Motion for Finding of Compliance with Conditions and for the Approval of Application or, in the Alternative, Petition for Rehearing.</p> <p>On August 31, 2012, MISO filed a Motion for Finding of Compliance with Conditions and Approval of Application, Motion for Clarification, or in the Alternative Petition for Rehearing.</p> <p>Several parties filed responses to EAI's and MISO's compliance filings.</p> <p>On September 20, 2012, the APSC issued Order No. 71, granting rehearing solely for the purpose of further consideration by the Commission.</p>
Louisiana – City of New	Initiating Investigation of the	On August 3, 2012, the parties filed Cross-Answering Testimony. Carl Monroe filed Cross-Answering

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Orleans UD-11-01	Potential Costs and Benefits of Entergy New Orleans, Inc. ("ENO") and Entergy Louisiana, LLC ("ELL") (collectively "Entergy") Joining a Regional Transmission Organization Versus the Continuation of the Entergy Independent Coordinator of Transmission with Enhancements	<p>Testimony on behalf of SPP.</p> <p>On August 22, 2012, Entergy filed Rebuttal Testimony.</p> <p>On September 6, 2012, the Council of the City of New Orleans adopted Resolution R-12-333, Resolution and Order to Suspend the Evidentiary Hearings (in Docket No. UD-11-01) and Initiating Discovery on International Transmission Company's Acquisition of Entergy New Orleans, Inc. and Entergy Louisiana, LLC's Transmission Assets Prior to the Companies Becoming Market Participant in the Midwest Independent System Operator (in Docket Nos. UD-11-01 and UD-12-01).</p> <p>The evidentiary hearing was suspended until October 23, 2012.</p>
Louisiana – City of New Orleans UD-12-01	Investigation of the Proposed Divestiture of the Transmission Assets of Entergy New Orleans, Inc. ("ENO") and Entergy Louisiana, LLC ("ELL") (collectively "Entergy") to ITC Holdings Corp.	<p>On September 6, 2012, the Council of the City of New Orleans adopted Resolution R-12-333, Resolution and Order to Suspend the Evidentiary Hearings (in Docket No. UD-11-01) and Initiating Discovery on International Transmission Company's Acquisition of Entergy New Orleans, Inc. and Entergy Louisiana, LLC's Transmission Assets Prior to the Companies Becoming Market Participant in the Midwest Independent System Operator (in Docket Nos. UD-11-01 and UD-12-01).</p> <p>A period of discovery commences with the adoption of this Resolution and shall continue until the date of any subsequent administrative hearing is established or by further action of the Council. Entergy and ITC were ordered to respond to all discovery regarding the proposed ITC transaction, including any discovery regarding the impact of the proposed ITC transaction on the costs and benefits of the Joint MISO Application.</p> <p>On September 12, 2012, ENO, et al. filed a Joint Application for Approval of Change of Ownership of Electric Transmission Businesses, for Certain Cost-Recovery Adjustments, and for Related Relief.</p>
Mississippi 2011-UA-376	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 July 6, 2012, Bates White submitted its report entitled "Evaluation of the Entergy Mississippi Proposal to Join MISO." Bates White filed a supplement to the report on July 11, 2012.</p> <p>On July 16, 2012, the MPSC held a Technical Conference.</p> <p>A pre-hearing conference was held on July 17, 2012.</p> <p>On July 18, 2012, the MPSC issued an Order Cancelling Hearing, cancelling the evidentiary hearings set for July 19 and 20, 2012.</p> <p>On August 27, 2012, Bates White filed its Revised Report to the MPSC on the Evaluation of the Entergy</p>



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		<p>Mississippi Proposal to Join MISO.</p> <p>On September 17, 2012, the Mississippi Public Utilities Staff and EMI filed a Joint Stipulation. MPSC Staff and EMI stipulated and agreed that conditions specified in the Joint Stipulation are appropriate to ensure that EMI's transfer of functional control of its transmission facilities to MISO is consistent with the public interest.</p> <p>On September 19, 2012, the Parties filed a Joint Stipulation of Parties Agreeing to an Abbreviated Proceeding Pursuant to Rule 15.101.3 of the Rules of Practice and Procedure.</p> <p>The remaining procedural schedule is as follows: October 19, 2012 - Proposed orders and briefing due; and November 6, 2012 - Date by which final order issued.</p>
Missouri EO-2012-0135	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 October 5, 2012, Charles Locke and James Okenfuss filed Direct Testimony on behalf of KCPL.
Missouri EO-2012-0136	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 October 5, 2012, Charles Locke and James Okenfuss filed Direct Testimony on behalf of KCPL-GMO.
Missouri EO-2012-0269	In the Matter of The Empire District Electric Company's ("Empire") Submission of Its Interim Report Regarding Participation in the Southwest Power Pool, Inc.	On July 9, 2012, the MoPSC issued an Order Granting Applications to Intervene of Dogwood Energy, LLC, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company, and Southwest Power Pool, Inc.
Texas 40346	Application of Entergy Texas, Inc. ("ETI") for Approval to	On July 6, 2012, Intervenors filed Direct Testimony. Carl Monroe and Ralph Luciani filed Direct Testimony on behalf of SPP.

State Cases		
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	Transfer Operational Control of its Transmission Assets to the Midwest Independent Transmission System Operator, Inc. ("MISO") Regional Transmission Organization ("RTO")	<p>On July 16, 2012, Commission Staff filed Direct Testimony.</p> <p>On July 20, 2012, Carl Monroe filed Cross-Rebuttal Testimony on behalf of SPP.</p> <p>On July 20, 2012, the parties filed Statements of Position.</p> <p>A hearing was held on August 1, 2012.</p> <p>On August 6, 2012, certain parties filed the Non-Unanimous Stipulation and Settlement Agreement.</p> <p>On August 8, 2012, certain parties filed an Amended Non-Unanimous Stipulation and Settlement Agreement.</p> <p>On August 8, 2012, John Hurstell filed Supplemental Direct Testimony in Support of Non-Unanimous Settlement on behalf of ETI.</p> <p>On August 20, 2012, Carl Monroe filed Pre-Filed Testimony on Non-Unanimous Stipulation on behalf of SPP.</p> <p>A hearing on the Non-Unanimous Stipulation was held on August 24, 2012.</p> <p>On August 31, 2012, the parties filed Initial Briefs.</p> <p>On September 7, 2012, the parties filed Reply Briefs.</p> <p>On September 7, 2012, parties filed Proposed Final Orders.</p> <p>On October 1, 2012, the State Office of Administrative Hearings filed the Proposal for Decision.</p> <p>The proposed ordering paragraphs are as follows:</p> <ol style="list-style-type: none"> 1) ETI's Application to transfer operational control of ETI's transmission assets to the MISO RTO is conditionally approved, as modified by and subject to the terms and conditions of the Non-Unanimous Stipulation; 2) this proceeding did not address any cost recovery relating to ETI joining MISO; 3) the entry of this Order consistent with the Non-Unanimous Stipulation does not indicate the Commission's endorsement of any principle or methodology that may underlie the Non-Unanimous



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		<p>Stipulation. Neither should entry of this Order be regarded as precedent as to the appropriateness of any principle or methodology underlying the Non-Unanimous Stipulation; and</p> <p>4) all other motions, requests for entry of specific findings of fact, conclusions of law, and ordering paragraphs, and any other requests for general or specific relief, if not expressly granted in this order, are hereby denied.</p> <p>On October 1, 2012, the PUCT issued notice that the Proposal for Decision issued by the State Office of Administrative Hearings on October 1, 2012 will be considered at the open meeting scheduled for October 19, 2012.</p> <p>On October 8, 2012, parties filed Exceptions to the Proposal for Decision.</p> <p>On October 11, 2012, parties filed Responses to Exceptions to the Proposal for Decision.</p>