

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Southwest Power Pool, Inc.)

Docket No. ER12-1179-000
ER12-1179-001

**MOTION TO EXPAND SCOPE OF SETTLEMENT PROCEEDING,
REQUEST FOR SHORTENED ANSWER PERIOD, AND REQUEST FOR
EXPEDITED RULING OF
SOUTHWEST POWER POOL, INC.**

Pursuant to Rule 212 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.212, Southwest Power Pool, Inc. (“SPP”) moves to expand the scope of the settlement judge proceeding established by order of the Commission on June 6, 2013,¹ to include unresolved issues relating to other protesting parties with grandfathered agreements (“GFA”) that have not yet been integrated into SPP’s proposed Integrated Marketplace. While not all additional parties may be able to attend the initial settlement conference scheduled to convene on June 25, 2013, SPP requests a shortened response period and expedited action on this motion in order that the expanded issues can be discussed at the first and subsequent conferences.

I. BACKGROUND

On October 18, 2012, the Commission conditionally accepted SPP’s proposed revisions to its Open Access Transmission Tariff to implement the SPP Integrated Marketplace.² In that order, the Commission, among other things, conditionally accepted SPP’s proposed treatment for the integration of GFAs into the Integrated Marketplace.

¹ *Sw. Power Pool, Inc.*, 143 FERC ¶ 61,219 (2013) (“June 6 Order”).

² *Sw. Power Pool, Inc.*, 141 FERC ¶ 61,048 (2012) (“October 18 Order”), *order on reh’g*, 142 FERC ¶ 61,205 (2013).

However, the Commission also recognized that certain GFA parties had protested SPP's proposal, and directed SPP "to address all GFAs within the Integrated Marketplace construct" before market launch.³ The Commission instructed SPP to negotiate with the protesting GFA parties to attempt to resolve issues concerning integration of their GFAs into the new market and established a reporting requirement for SPP to provide "the status of the negotiations and identify[] the remaining GFAs that are not integrated into the market."⁴

In the June 6 Order, the Commission granted a request by Omaha Public Power District ("OPPD") to establish settlement judge procedures to provide a forum for OPPD and SPP to try to resolve the remaining issues related to OPPD's GFAs. In doing so, the Commission recognized that OPPD's GFA issues "must be resolved prior to the start of the Integrated Marketplace initial [Auction Revenue Rights ("ARR")] allocation and [Transmission Congestion Rights ("TCR")] process, scheduled to commence October 28, 2013."⁵ Therefore, the Commission stated that the settlement proceeding would only run until August 1, 2013. If the parties are unable to reach a resolution by that date, then the settlement judge is to file a report with the Chief Judge on or before August 6, 2013. In that instance, the Commission directed SPP to submit a proposal by August 8, 2013, to address the unresolved OPPD GFA issues by either "a carve-out of the OPPD GFAs or a proposal for the integration of the OPPD GFAs into the Integrated Marketplace."⁶

³ *Id.* at P 309.

⁴ *Id.* at P 317.

⁵ June 6 Order at P 17.

⁶ *Id.* at P 21.

II. REQUEST TO EXPAND SCOPE OF SETTLEMENT PROCEEDING

As reflected in SPP's most recent status report,⁷ SPP has, to date, been unable to resolve other remaining GFA integration issues with other protesting GFA parties. More specifically, SPP has informed the Commission that it has continued to hold discussions with Nebraska Public Power District ("NPPD") about possible approaches for integrating its GFAs into SPP's Integrated Marketplace and for carving-out the GFAs that are not ultimately integrated into the Integrated Marketplace.⁸ SPP and NPPD have not yet been able to reach an agreement.

The established settlement judge proceeding now presents a forum to assist resolution of the remaining GFA integration issues, if the Commission expands the scope of the GFA issues to be considered in the settlement judge proceeding. Expanding the current settlement proceeding to include all remaining GFA integration issues and the other protesting GFA parties is important because time is running out for reaching a negotiated resolution before the launch of SPP's Integrated Marketplace. The Commission has recognized that GFA integration issues need to be resolved before the ARR allocation and TCR auctions this fall. Market Participants must input into OASIS any service Market Participants want to be included as a candidate ARR by September 18, 2013. SPP will verify such data by October 31, 2013, and the first allocation process will begin on November 1, 2013. Therefore, resolution of any disputes over GFAs must occur before these dates in order for SPP to administer the TCR auction process.

⁷ See Third Status Report of Southwest Power Pool, Inc., Docket Nos. ER12-1179-000 and -001 (May 15, 2013) ("Third Status Report").

⁸ See Third Status Report at 3.

The Commission has directed that, in the absence of a negotiated resolution of the dispute over OPPD's GFAs, SPP must file a plan to either integrate the OPPD's GFAs or carve them out of the Integrated Marketplace. In SPP's view, any such plan should address the GFAs of the other protesting parties as well, if the issues surrounding those GFAs have not been resolved. All such issues must be resolved timely, just as the Commission has directed regarding the OPPD GFAs. Therefore, SPP seeks to expand the scope of the settlement proceeding so that other GFA integration issues are put on the same negotiating schedule for resolution, culminating in an August 8, 2013 filing, if necessary.

NPPD has authorized SPP to state that NPPD supports this motion.

III. REQUEST FOR EXPEDITED ACTION

The initial settlement conference is scheduled for June 25, 2013, before Settlement Judge Sterner.⁹ While not all other parties may be in a position to attend this first meeting, it is important that the scope of the settlement proceeding is expeditiously expanded so that all the protested GFA issues and protesting GFA parties are part of the ongoing effort to reach a negotiated resolution before the termination of the settlement proceedings on August 1, 2013.

Because time is of the essence, SPP requests that the Commission shorten the response period by requiring answers to this motion to be filed no later than June 21, 2013. SPP requests that a ruling on this motion be rendered, if possible, by June 24, 2013, prior to the first settlement conference. A prompt ruling by the Commission will

⁹ See Order of Chief Judge Appointing Settlement Judge and Scheduling Settlement Conference, Docket Nos. ER12-1179-000 and -001 (June 12, 2013).

ensure that the greatest amount of time is available for settlement negotiations concerning remaining GFA integration issues.

IV. CONCLUSION

For the foregoing reasons, SPP requests that the Commission: (1) expand the scope of the pending settlement proceedings to include all unresolved issues relating to the other protesting GFA parties; and (2) expedite a ruling on this motion as requested herein.

Respectfully submitted,

/s/ Barry Spector

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June 19, 2013

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 19th day of June, 2013.

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