

January 23, 2015

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

RE: *Southwest Power Pool, Inc.*, Docket No. ER15-\_\_\_\_  
Submission of Agreement Establishing a Pseudo-Tie Electrical  
Interconnection Point

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and section 35.13 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submits an executed Agreement Establishing a Pseudo-Tie Electrical Interconnection Point ("Agreement") among SPP, KCP&L Greater Missouri Operations Company ("KCPL-GMO") as the Market Participant, and Entergy Services, Inc. ("ESI"), on behalf of Entergy Louisiana, LLC ("Entergy Louisiana"), as the External Local Balancing Authority ("KCPL-GMO Agreement").<sup>1</sup> SPP is submitting this filing because the KCPL-GMO Agreement includes terms and conditions that do not conform to the standard form of Agreement that is in SPP's Open Access Transmission Tariff ("Tariff").<sup>2</sup> SPP requests an effective date of January 19, 2015.<sup>3</sup>

### **I. Non-Conforming Terms and Conditions**

The Parties entered into the KCPL-GMO Agreement in order to establish a new pseudo-tie electrical interconnection point between the KCPL-GMO's Crossroads Energy Center, located in Clarksdale, Mississippi (the "Facility"), the SPP Balancing Authority and Entergy Louisiana ("Pseudo-Tie Point"). The KCPL-GMO Agreement provides that

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<sup>1</sup> SPP, KCPL-GMO and ESI are referred to collectively as the "Parties." SPP designated the KCPL-GMO Agreement as Original Service Agreement No. 2986.

<sup>2</sup> See Southwest Power Pool, Inc., FERC Electric Tariff, Sixth Revised Volume No. 1 at Attachment AO ("*pro forma* Agreement").

<sup>3</sup> See KCPL-GMO Agreement at Section 6.

any energy delivered from or consumed by the Facility at the Pseudo-Tie Point shall be treated among the Parties as a balancing authority interchange between Entergy Louisiana and the SPP Balancing Authority. The KCPL-GMO Agreement conforms to the *pro forma* Agreement except as described below.

The Midcontinent Independent System Operator, Inc. (“MISO”) utilizes Local Balancing Authorities (“LBA”) to perform tasks within the MISO Balancing Authority. Entergy Louisiana is an LBA within the MISO Balancing Authority. To reflect this distinction, the Parties added a new Whereas clause clarifying that Entergy Louisiana is the LBA “meaning the operational entity which is responsible for compliance to [the North American Electric Reliability Corporation (“NERC”)] for the subset of NERC Balancing Authority Reliability Standards defined in the Amended Balancing Authority Agreement of [MISO], for the EES LBA Area within the MISO Balancing Authority Area.” The Parties also added “Local” to the term “External Balancing Authority” throughout the KCPL-GMO Agreement to clarify the LBA function within MISO.

Similarly, the Parties added provisions to the KCPL-GMO Agreement to clarify the coordination between the External Local Balancing Authority, the SPP Balancing Authority and MISO.<sup>4</sup> In Section 1, the Parties specified that the Parties “will work cooperatively with MISO to cause any energy delivered from or consumed by the Facility at the Pseudo-Tie Point to be treated as a balancing authority interchange between the MISO Balancing Authority and the SPP Balancing Authority.”<sup>5</sup> In Section 2, the Parties added that the External Local Balancing Authority “will use commercially reasonable efforts to cause MISO to recognize the Pseudo-Tie Point.”<sup>6</sup> In Section 2(m), the Parties added language to require the SPP Balancing Authority and/or the External Local Balancing Authority to request MISO to include the real-time pseudo-tie value in their calculations of Net Actual Interchange and Area Control Error.<sup>7</sup> In Section 2(p), the Parties added language to clarify that the External Local Balancing Authority and the SPP Balancing Authority shall “integrate the real time pseudo-tie value on an hourly basis and maintain this information for balancing authority checkout, inadvertent calculations and payback purposes in accordance with the applicable NERC standards” and the External Local Balancing Authority and/or the SPP Balancing Authority will request MISO to do the same.<sup>8</sup> These provisions are necessary to reflect the distinction

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<sup>4</sup> The Parties added provisions to the KCPL-GMO Agreement in Section 1, Section 2, Section 2(m) and Section 2(p).

<sup>5</sup> See KCPL-GMO Agreement at Section 1.

<sup>6</sup> See *id.* at Section 2.

<sup>7</sup> See *id.* at Section 2(m).

<sup>8</sup> See *id.* at Section 2(p).

between the LBA, the External Local Balancing Authority and MISO Balancing Authority.

Finally, the Parties added the phrase “as among the Parties” to Section 1 of the KCPL-GMO Agreement to clarify that the agreement to treat any energy delivered from or consumed by the Facility at the Pseudo-Tie Point as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority is an agreement among the Parties to the KCPL-GMO Agreement.<sup>9</sup> In addition, the Parties modified the termination provisions in Section 7 to specify that any Party shall have the right to terminate the KCPL-GMO Agreement upon 60 days’ notice.<sup>10</sup> The Parties agreed to non-conforming changes to the KCPL-GMO Agreement to further clarify the agreement related to the Facility.

## **II. Effective Date and Waiver**

SPP requests an effective date of January 19, 2015 for the KCPL-GMO Agreement. To permit such an effective date, SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3. Waiver is appropriate because the KCPL-GMO Agreement is being filed within 30 days of the commencement of service.<sup>11</sup>

## **III. Additional Information**

### **A. Information Required by Section 35.13 of the Commission’s Regulations, 18 C.F.R. § 35.13:**

#### **(1) Documents submitted with this filing:**

In addition to this transmittal letter, SPP includes the following:

- (i) A clean copy of the KCPL-GMO Agreement; and
- (ii) A redlined copy of the KCPL-GMO Agreement.

#### **(2) Effective Date:**

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<sup>9</sup> See *id.* at Section 1.

<sup>10</sup> See *id.* at Section 7.

<sup>11</sup> See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (the Commission will grant waiver of the 60-day prior notice requirement “if service agreements are filed within 30 days after service commences.”); see also 18 C.F.R. § 35.3(a)(2).

As discussed herein, SPP respectfully requests that the Commission accept the KCPL-GMO Agreement with an effective date of January 19, 2015.

**(3) Service:**

SPP is serving a copy of this filing on the representatives for the Parties listed in the KCPL-GMO Agreement.

**(4) Basis of Rate:**

All charges will be determined in accordance with the Tariff and the KCPL-GMO Agreement.

**B. Communications:**

Any correspondence regarding this matter should be directed to:

Tessie Kentner  
Attorney  
Southwest Power Pool, Inc.  
201 Worthen Drive  
Little Rock, AR 72223  
Telephone: (501) 688-1782  
[tkentner@spp.org](mailto:tkentner@spp.org)

Nicole Wagner  
Manager - Regulatory Policy  
Southwest Power Pool, Inc.  
201 Worthen Drive  
Little Rock, AR 72223  
Telephone: (501) 688-1642  
[jwagner@spp.org](mailto:jwagner@spp.org)

**IV. Conclusion**

For the reasons stated above, SPP requests that the Commission accept the KCPL-GMO Agreement with an effective date of January 19, 2015.

Respectfully submitted,

/s/ Tessie Kentner

Tessie Kentner  
Southwest Power Pool, Inc.

**Attorney for  
Southwest Power Pool, Inc.**

**Southwest Power Pool, Inc.**  
**Original Service Agreement No. 2986**

**AGREEMENT ESTABLISHING A PSEUDO-TIE ELECTRICAL INTERCONNECTION  
POINT**

This Agreement Establishing a Pseudo-Tie Electrical Interconnection Point (including its exhibits, this "Agreement") is entered into this 19th day of January 2015 by and among Entergy Services, Inc., on behalf of Entergy Louisiana, LLC, the operational entity that administers the operation of the EES Local Balancing Authority ("External Local Balancing Authority"), KCP&L Greater Missouri Operations Company ("Market Participant"), and the Southwest Power Pool, Inc. ("SPP"). External Local Balancing Authority, Market Participant and SPP are hereinafter referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, in order to facilitate the foregoing, the Parties desire to establish a new pseudo-tie electrical interconnection point between the SPP Balancing Authority and the External Local Balancing Authority on the terms and conditions set forth in this Agreement; and

WHEREAS, SPP is a Regional Transmission Organization approved by the Federal Energy Regulatory Commission operating an Integrated Marketplace and is a NERC certified Balancing Authority; and

WHEREAS, Entergy Louisiana, LLC ("Entergy Louisiana"), is the "Local Balancing Authority" or "LBA", meaning the operational entity which is responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined in the Amended Balancing Authority Agreement of Midcontinent Independent System Operator, Inc. ("MISO"), for the EES LBA Area within the MISO Balancing Authority Area.

WHEREAS, the External Local Balancing Authority has agreed to facilitate the delivery of generation or the transfer of load into the Integrated Marketplace by the Market Participant to the SPP Balancing Authority as defined below or the External Local Balancing Authority has agreed to accept the delivery of generation or the transfer of load into the External Local Balancing Authority by the Market Participant from the SPP Balancing Authority as defined below; and

WHEREAS, the Market Participant is responsible for generation or load outside of the boundaries of the SPP Balancing Authority Area and desires to participate in the Integrated Marketplace as a Resource or load or the Market Participant is responsible for generation or load inside the SPP Balancing Authority Area and desires not to participate in the Integrated Marketplace; and

WHEREAS, the SPP Balancing Authority has agreed to accept the delivery of generation or the transfer of load into the Integrated Marketplace by the Market Participant from the External Local Balancing Authority as defined below or the SPP Balancing Authority has agreed

to facilitate the delivery of generation or the transfer of load into the External Local Balancing Authority by the Market Participant from the SPP Balancing Authority as defined below; and

WHEREAS, Market Participant represents the generator or load serving entity that is physically located within the balancing authority boundaries of the External Local Balancing Authority or the SPP Balancing Authority; and

WHEREAS, Market Participant represents the generator or load serving entity registered with SPP and meeting all of the SPP qualifications in order to operate in the Integrated Marketplace and abiding by all the respective Market Protocols and rules as set forth by SPP.

NOW THEREFORE, in consideration of the mutual covenants and agreements in this Agreement and of other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Creation of Pseudo-Tie Point. From and after the effective date hereof, the point at which pseudo-tie electrical interconnection is made between the Market Participant's Crossroads Energy Center, located in Clarksdale, Mississippi, (the "Facility") and the SPP Balancing Authority, which shall be defined in the one-line diagram attached hereto as Exhibit A, shall be a new pseudo-tie electrical interconnection point between the SPP Balancing Authority and the External Local Balancing Authority (the "Pseudo-Tie Point"), whereby any energy delivered from or consumed by the Facility at the Pseudo-Tie Point shall, as among the Parties, be treated as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority (for the avoidance of doubt, whether or not, at the time of delivery or consumption of such energy, the metering, data processing, telemetry and other equipment associated with the Pseudo-Tie Point is properly functioning). For the avoidance of doubt, the SPP Balancing Authority or the External Local Balancing Authority will not be taking title to any energy delivered from or consumed by the Facility at the Pseudo-Tie Point. As necessary the Parties will work cooperatively with MISO to cause any energy delivered from or consumed by the Facility at the Pseudo-Tie Point to be treated as a balancing authority interchange between the MISO Balancing Authority and the SPP Balancing Authority.

2. Implementation. Each Party shall design, construct, operate and maintain the equipment for which it is responsible under this Agreement, and shall take all other actions required of it, to create and have the Pseudo-Tie Point recognized by the SPP as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority for the purpose of allowing the Facility to be treated as being in the SPP Balancing Authority or the External Local Balancing Authority. External Local Balancing Authority will use commercially reasonable efforts to cause MISO to recognize the Pseudo-Tie Point as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority for the purpose of allowing the Facility to be treated as being in the SPP Balancing Authority or the External Local Balancing Authority. Without limiting the foregoing, each Party shall undertake the design, construction, operation and maintenance for which it is responsible under this Agreement according to North American Electric Reliability Corporation standards. A basic

block diagram of the communications equipment required for the Pseudo-Tie Point is set forth in Exhibit B. As among the Parties:

- (a) The entity representing the generator or load in the External Local Balancing Authority or the generator or load within the SPP Balancing Authority shall register with SPP to become a Market Participant in the Integrated Marketplace. Registration shall be done in accordance with the SPP Market Protocols. Each Facility must be registered separately with SPP and registration information shall be provided to the External Local Balancing Authority. Market Participant must register its generator or load located in the External Local Balancing Authority or its generator or load located in the SPP Balancing Authority.
- (b) This Agreement does not provide for the reservation or sale of transmission service under the SPP's Open Access Transmission Tariff ("OATT") or on any other transmission system. Market Participant shall secure and pay for all cost associated with transmission service, across all transmission service providers necessary to deliver or consume power from the Facility to the interface point with the SPP Balancing Authority or to the interface point with the External Local Balancing Authority.
- (c) In order to supply Energy and qualified Operating Reserve products (Regulation-Up, Regulation-Down and/or Contingency Reserve) to the Integrated Marketplace or to transfer load to the Integrated Marketplace, the Market Participant shall secure firm transmission service from where it is physically located through the path to the interface point with the SPP Balancing Authority. SPP shall confirm that the appropriate transmission service reservations are in place and maintained prior to granting participation and for continued participation in the Energy and Operating Reserve Markets.
- (d) In order to supply energy to the External Local Balancing Authority or to transfer load to the External Local Balancing Authority, the Market Participant shall secure firm transmission service from where it is physically located through the path to the interface point with the External Local Balancing Authority. SPP shall confirm that the appropriate transmission service reservations are in place and maintained prior to granting approval of the movement of Resources and load out of the SPP Balancing Authority to the External Local Balancing Authority.
- (e) Market Participant is solely responsible for all requirements as set forth for a Market Participant in the Market Protocols.
- (f) Market Participant shall design, construct, operate and maintain systems and communications equipment in order to: (i) receive SPP deployment instructions for generators pseudo-tying into the SPP Balancing Authority; (ii) account for load pseudo-tying into the SPP Balancing Authority; and (iii) enable SPP to account for congestion and losses associated with generators and loads pseudo-tying out of the SPP Balancing Authority in accordance with the Market Protocols.

- (g) Market Participant shall design, construct, operate and maintain real-time and historical systems and communications equipment, at Market Participant's expense, in order to provide the External Local Balancing Authority and the SPP Balancing Authority with the corresponding real-time pseudo-tie value. Market Participant's systems shall provide this signal to the SPP Balancing Authority per the SPP Balancing Authority's ICCP communication standards. Market Participant's system shall provide this signal to the External Local Balancing Authority in a manner mutually agreed to between the External Local Balancing Authority and the Market Participant.
- (h) SPP, in accordance with the Market Protocols, will provide the Market Participant commitment and dispatch instructions for generators pseudo-tying into the SPP Balancing Authority for participation in the Energy and Operating Reserve Markets consistent with such instructions issued to other registered Resources.
- (i) For generators pseudo-tying into the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered generator output received by SPP from the Market Participant. The Market Participant shall simultaneously provide this value to the External Local Balancing Authority.
- (j) For generators pseudo-tying out of the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered generator output received by the External Local Balancing Authority from the Market Participant. The Market Participant shall simultaneously provide this value to the SPP Balancing Authority.
- (k) For loads pseudo-tying into the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered load consumption received by SPP from the Market Participant. The Market Participant shall simultaneously provide this value to the External Local Balancing Authority.
- (l) For loads pseudo-tying out of the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered load consumption received by the External Local Balancing Authority from the Market Participant. The Market Participant shall simultaneously provide this value to the SPP Balancing Authority.
- (m) The External Local Balancing Authority and/or SPP will request MISO to include, and the SPP Balancing Authority will include, the real time pseudo-tie value in their respective calculations of Net Actual Interchange ("NAI") and Area Control Error ("ACE").
- (n) If communication is lost between any of the Parties (including communication between SPP and the Market Participant), the External Local Balancing Authority and the SPP Balancing Authority will freeze at the last known value and it is the responsibility of the Market Participant to verbally communicate changes of the real time pseudo-tie values with the other Parties.



- (o) Market Participant shall notify Parties of any real-time circumstances that affect the Market Participant's obligation or ability to meet the SPP Setpoint Instructions or External Local Balancing Authority instructions. A generator pseudo-tying into the SPP Balancing Authority will be subject to the same penalties as a Resource under Attachment AE of the SPP Tariff. A generator pseudo-tying out of the SPP Balancing Authority will be subject to the rules and procedures specified by the External Local Balancing Authority.
- (p) The External Local Balancing Authority and the SPP Balancing Authority shall integrate the real time pseudo-tie value on an hourly basis and maintain this information for balancing authority checkout, inadvertent calculations and payback purposes in accordance with the applicable NERC standards, and the External Local Balancing Authority and/or SPP will request MISO to integrate the real time pseudo-tie value on an hourly basis and maintain this information for balancing authority checkout, inadvertent calculations and payback purposes in accordance with the applicable NERC standards. For generators and loads pseudo-tying into the SPP Balancing Authority, it is the responsibility of the External Local Balancing Authority to checkout these hourly integrated values with the Market Participant prior to the External Local Balancing Authority's final daily checkout with the SPP Balancing Authority. For generators and loads pseudo-tying out of the SPP Balancing Authority, it is the responsibility of the SPP Balancing Authority to checkout these hourly integrated values with the Market Participant prior to the SPP Balancing Authority's final daily checkout with the External Local Balancing Authority.
- (q) The Market Participant for generators and loads pseudo-tying into or out of the SPP Balancing Authority Area is responsible for submission of settlement meter data for use in the settlement process of the Real-Time Balancing Market in accordance with the SPP Market Protocols.
- (r) Except as otherwise provided in this Section 2, failure by the Market Participant to provide real-time pseudo-tie values in a timely manner constitutes a basis for the immediate suspension of this Agreement by the External Local Balancing Authority or SPP Balancing Authority. In the event of such suspension, the Market Participant shall provide a remedy for the cause of the failure prior to resumption of participation. In the event of two suspensions within a thirty day period, this Agreement may be terminated, in accordance with Section 7 of this Agreement, at the sole discretion of the External Local Balancing Authority or SPP Balancing Authority.

3. Losses. For generators and loads pseudo-tying into the SPP Balancing Authority, Market Participant will be responsible for loss compensation to transmission provider(s) to deliver their energy to or receive their energy from the SPP Balancing Authority. Pseudo-tie value(s) will be considered net of losses external to SPP. Losses within the SPP Balancing Authority attributable to the Market Participant's participation in the Energy and Operating Reserve Markets, including

generators and loads pseudo-tying out of the SPP Balancing Authority, shall be handled in the same manner as other Energy and Operating Reserve Markets transactions.

4. Compensation. For generators and loads pseudo-tying into the SPP Balancing Authority, Market Participant will compensate the External Local Balancing Authority for the reasonable implementation and operations related costs borne by the External Local Balancing Authority as a result of this Agreement unless the Market Participant and External Local Balancing Authority agree to a different cost arrangement, which shall be filed with the Commission in a non-conforming agreement. For generators and loads pseudo-tying out of the SPP Balancing Authority, Market Participant will compensate the SPP Balancing Authority for the reasonable implementation and operations related costs borne by the SPP Balancing Authority as a result of this Agreement unless the Market Participant and SPP Balancing Authority agree to a different cost arrangement, which shall be filed with the Commission in a non-conforming agreement.

5. Auditing. Each Party reserves the right to audit records necessary to permit evaluation and verification of claims submitted, and the other Party's compliance with this Agreement. The Parties shall retain for a period of three years all information and records relating to the performance of this Agreement. Each Party may examine and copy such information and records at the other Party's premises during regular business hours and upon advance notice given no less than 15 calendar days prior to such examination.

6. Effective Date. The Agreement is effective upon full execution if it is not filed with the Commission. If the Agreement is filed with the Commission, then it is effective upon the later of the date of execution or the date allowed by the Commission. If the parties are unable to resolve any issues, SPP shall file an unexecuted agreement with the Commission, including all agreed-upon non-conforming deviations.

7. Termination. Other than as provided in Section 2(r), any Party shall have the right to terminate this Agreement upon sixty (60) days' notice, subject to receiving all necessary regulatory approvals for such termination.

8. Governing Law. The interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with the applicable Federal and/or State laws without regard its conflicts of laws provisions that would apply the laws of another jurisdiction.

9. Interpretation. In this Agreement:

- (a) the words "include", "includes" and "including" are deemed to be followed by the words "without limitation";
- (b) references to contracts, agreements and other documents and instruments shall be references to the same as amended, supplemented or otherwise modified from time to time;

- (c) references to laws or standards and to terms defined in, and other provisions of, laws or standards shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time; and
- (d) references to a person shall include its successors and permitted assigns and, in the case of a governmental or other authority (including SPP and the North American Electric Reliability Corporation), any person succeeding to its functions and capacities.

10. Severability. If any provision of this Agreement is held invalid, illegal or unenforceable in any jurisdiction, then, the Parties agree, to the fullest extent permitted by law, that the validity, legality and enforceability of the remaining provisions hereof in such or any other jurisdiction and of such provision in any other jurisdiction shall not in any way be affected or impaired thereby. With respect to the provision held invalid, illegal or unenforceable, the Parties will amend this Agreement as necessary to effect the original intent of the Parties as closely as possible.

11. Complete Agreement; Amendments. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement. This Agreement may be amended, supplemented or otherwise modified only by an instrument in writing signed by all Parties.

12. Other Obligations. Nothing in this Agreement is intended to modify or change any obligations or rights under any tariff (including the SPP Tariff), any rate schedule, or any other contract. This Agreement does not in any way provide transmission service or address rates, terms or conditions of transmission service or indicate in any way that transmission service is available or properly awarded. A Party seeking transmission service must still go through the full tariff process to obtain transmission service. This Agreement also does not establish any generation as a designated network resource under the Tariff; the requirements of the Tariff still must be satisfied. Nor does this Agreement make any Party a Market Participant under the SPP Tariff. A Party seeking to become a Market Participant must apply to SPP under the terms of the SPP Tariff and nothing in this Agreement affects its rights or obligations as a Market Participant.

13. Commission Filing. If unchanged, a signed version of this form agreement shall not be filed with the Commission. SPP will simply report the existence of a signed agreement in its quarterly reports. If the form agreement is substantively changed, then SPP shall file the revised form agreement with the Commission. The Parties shall be bound to the terms accepted or ordered by the Commission.

14. Modification. Nothing in this Agreement is intended to modify or limit the right of SPP to submit under FPA Section 205 or Section 206 unilateral changes to this Agreement (both the form Agreement and any signed agreement); the right of any other Party to seek unilateral changes under FPA Section 206, or the right of the Federal Energy Regulatory Commission to accept any FPA Section 205 filing or to make changes under FPA Section 206 or to initiate proceedings under FPA Section 206.

15. Charges. The provisions in this Agreement providing for compensation do not authorize Commission regulated public utilities to impose charges without a separately filed tariff or rate schedule being accepted by the Commission.

16. Disputes. Any disputes under this Agreement shall first be resolved pursuant to the dispute resolution procedures in the SPP's Open Access Transmission Tariff. Any disputes may be brought to the Commission.

17. Breach. If any Party breaches the terms of this Agreement, then a non-breaching Party may seek any relief it believes is appropriate at the Commission. A breach is considered a substantive violation of this Agreement. Prior to pursuing a remedy at the Commission for a breach, a non-breaching Party shall provide five business days' notice of the breach to the breaching Party. If the breaching Party does not eliminate the breach within five (5) business days after the notice is received by the breaching Party, then the non-breaching Party may pursue its remedies at the Commission.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart. The delivery of an executed counterpart of this Agreement by facsimile shall be deemed to be valid delivery thereof.

The Parties have caused this Agreement to be signed by their authorized representatives on the day and year first above written.

**External Local Balancing Authority**

By: /s/ John Hurstell

Name: John Hurstell

Title: V.P. System Planning & Operations

**SPP Balancing Authority**

By: /s/ Carl Monroe

Name: Carl Monroe

Title: EVP & COO

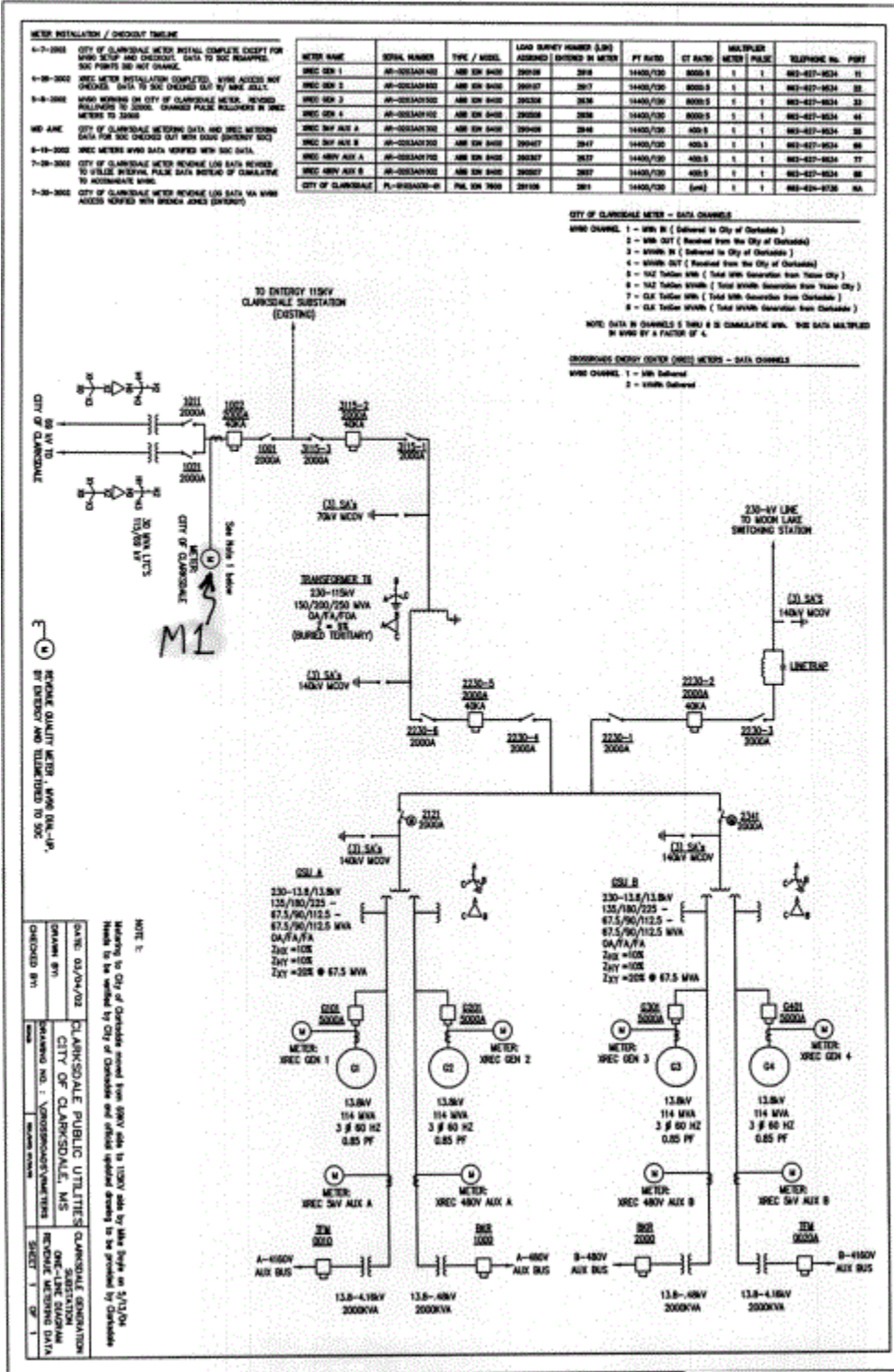
**Market Participant**

By: /s/ Eric Peterson

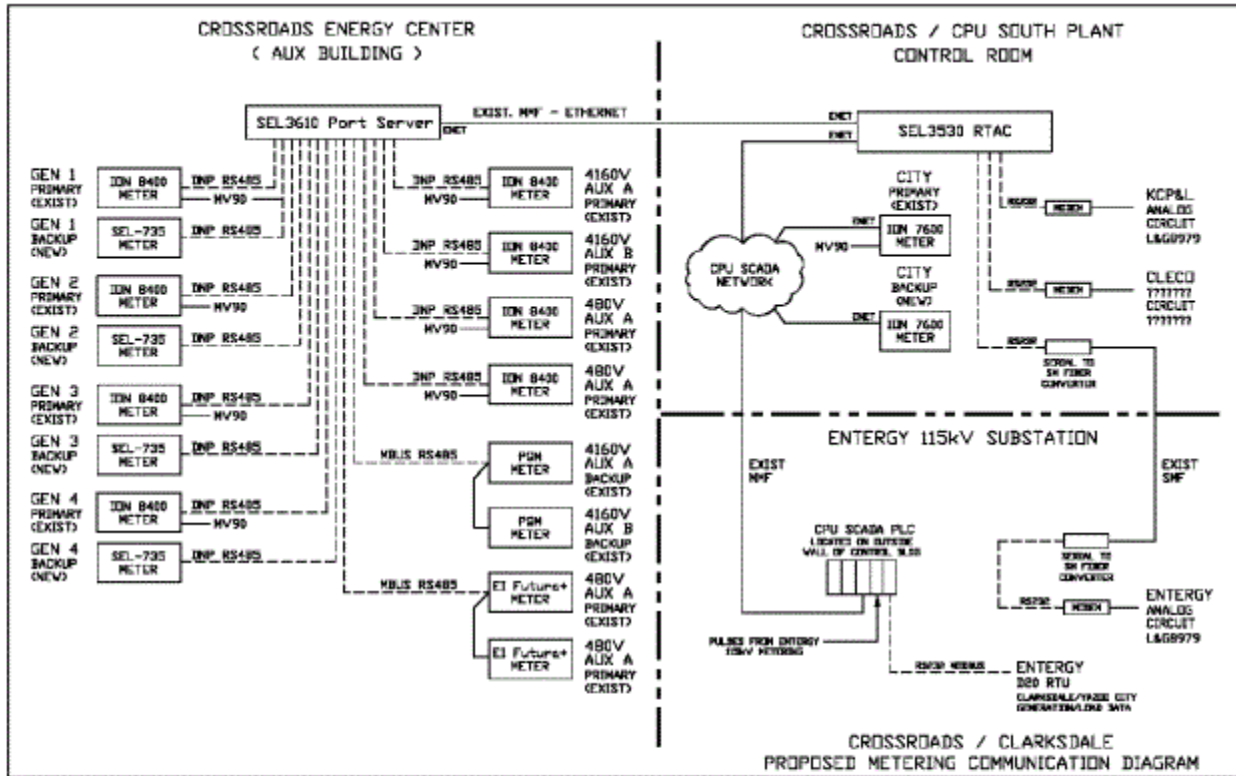
Name: Eric Peterson

Title: Director Generation Sales & Services

# EXHIBIT A ONE-LINE DIAGRAM



## EXHIBIT B BLOCK DIAGRAM



**Southwest Power Pool, Inc.**  
**Original Service Agreement No. 2986**

**AGREEMENT ESTABLISHING A PSEUDO-TIE ELECTRICAL INTERCONNECTION  
POINT**

This Agreement Establishing a Pseudo-Tie Electrical Interconnection Point (including its exhibits, this "Agreement") is entered into this 19th day of January 2015 by and among Entergy Services, Inc., on behalf of Entergy Louisiana, LLC, the operational entity that administers the operation of the EES Local Balancing Authority ("External Local Balancing Authority"), KCP&L Greater Missouri Operations Company ("Market Participant"), and the Southwest Power Pool, Inc. ("SPP"). External Local Balancing Authority, Market Participant and SPP are hereinafter referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, in order to facilitate the foregoing, the Parties desire to establish a new pseudo-tie electrical interconnection point between the SPP Balancing Authority and the External Local Balancing Authority on the terms and conditions set forth in this Agreement; and

WHEREAS, SPP is a Regional Transmission Organization approved by the Federal Energy Regulatory Commission operating an Integrated Marketplace and is a NERC certified Balancing Authority; and

WHEREAS, Entergy Louisiana, LLC ("Entergy Louisiana"), is the "Local Balancing Authority" or "LBA", meaning the operational entity which is responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined in the Amended Balancing Authority Agreement of Midcontinent Independent System Operator, Inc. ("MISO"), for the EES LBA Area within the MISO Balancing Authority Area.

WHEREAS, the External Local Balancing Authority has agreed to facilitate the delivery of generation or the transfer of load into the Integrated Marketplace by the Market Participant to the SPP Balancing Authority as defined below or the External Local Balancing Authority has agreed to accept the delivery of generation or the transfer of load into the External Local Balancing Authority by the Market Participant from the SPP Balancing Authority as defined below; and

WHEREAS, the Market Participant is responsible for generation or load outside of the boundaries of the SPP Balancing Authority Area and desires to participate in the Integrated Marketplace as a Resource or load or the Market Participant is responsible for generation or load inside the SPP Balancing Authority Area and desires not to participate in the Integrated Marketplace; and

WHEREAS, the SPP Balancing Authority has agreed to accept the delivery of generation or the transfer of load into the Integrated Marketplace by the Market Participant from the External Local Balancing Authority as defined below or the SPP Balancing Authority has agreed



to facilitate the delivery of generation or the transfer of load into the External Local Balancing Authority by the Market Participant from the SPP Balancing Authority as defined below; and

WHEREAS, Market Participant represents the generator or load serving entity that is physically located within the balancing authority boundaries of the External Local Balancing Authority or the SPP Balancing Authority; and

WHEREAS, Market Participant represents the generator or load serving entity registered with SPP and meeting all of the SPP qualifications in order to operate in the Integrated Marketplace and abiding by all the respective Market Protocols and rules as set forth by SPP.

NOW THEREFORE, in consideration of the mutual covenants and agreements in this Agreement and of other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Creation of Pseudo-Tie Point. From and after the effective date hereof, the point at which pseudo-tie electrical interconnection is made between the Market Participant's Crossroads Energy Center, located in Clarksdale, Mississippi, (the "Facility") and the SPP Balancing Authority, which shall be defined in the one-line diagram attached hereto as Exhibit A, shall be a new pseudo-tie electrical interconnection point between the SPP Balancing Authority and the External Local Balancing Authority (the "Pseudo-Tie Point"), whereby any energy delivered from or consumed by the Facility at the Pseudo-Tie Point shall, as among the Parties, be treated as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority (for the avoidance of doubt, whether or not, at the time of delivery or consumption of such energy, the metering, data processing, telemetry and other equipment associated with the Pseudo-Tie Point is properly functioning). For the avoidance of doubt, the SPP Balancing Authority or the External Local Balancing Authority will not be taking title to any energy delivered from or consumed by the Facility at the Pseudo-Tie Point. As necessary the Parties will work cooperatively with MISO to cause any energy delivered from or consumed by the Facility at the Pseudo-Tie Point to be treated as a balancing authority interchange between the MISO Balancing Authority and the SPP Balancing Authority.

2. Implementation. Each Party shall design, construct, operate and maintain the equipment for which it is responsible under this Agreement, and shall take all other actions required of it, to create and have the Pseudo-Tie Point recognized by the SPP as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority for the purpose of allowing the Facility to be treated as being in the SPP Balancing Authority or the External Local Balancing Authority. External Local Balancing Authority will use commercially reasonable efforts to cause MISO to recognize the Pseudo-Tie Point as a balancing authority interchange between the External Local Balancing Authority and the SPP Balancing Authority for the purpose of allowing the Facility to be treated as being in the SPP Balancing Authority or the External Local Balancing Authority. Without limiting the foregoing, each Party shall undertake the design, construction, operation and maintenance for which it is responsible under this Agreement according to North American Electric Reliability Corporation standards. A basic

block diagram of the communications equipment required for the Pseudo-Tie Point is set forth in Exhibit B. As among the Parties:

- (a) The entity representing the generator or load in the External Local Balancing Authority or the generator or load within the SPP Balancing Authority shall register with SPP to become a Market Participant in the Integrated Marketplace. Registration shall be done in accordance with the SPP Market Protocols. Each Facility must be registered separately with SPP and registration information shall be provided to the External Local Balancing Authority. Market Participant must register its generator or load located in the External Local Balancing Authority or its generator or load located in the SPP Balancing Authority.
- (b) This Agreement does not provide for the reservation or sale of transmission service under the SPP's Open Access Transmission Tariff ("OATT") or on any other transmission system. Market Participant shall secure and pay for all cost associated with transmission service, across all transmission service providers necessary to deliver or consume power from the Facility to the interface point with the SPP Balancing Authority or to the interface point with the External Local Balancing Authority.
- (c) In order to supply Energy and qualified Operating Reserve products (Regulation-Up, Regulation-Down and/or Contingency Reserve) to the Integrated Marketplace or to transfer load to the Integrated Marketplace, the Market Participant shall secure firm transmission service from where it is physically located through the path to the interface point with the SPP Balancing Authority. SPP shall confirm that the appropriate transmission service reservations are in place and maintained prior to granting participation and for continued participation in the Energy and Operating Reserve Markets.
- (d) In order to supply energy to the External Local Balancing Authority or to transfer load to the External Local Balancing Authority, the Market Participant shall secure firm transmission service from where it is physically located through the path to the interface point with the External Local Balancing Authority. SPP shall confirm that the appropriate transmission service reservations are in place and maintained prior to granting approval of the movement of Resources and load out of the SPP Balancing Authority to the External Local Balancing Authority.
- (e) Market Participant is solely responsible for all requirements as set forth for a Market Participant in the Market Protocols.
- (f) Market Participant shall design, construct, operate and maintain systems and communications equipment in order to: (i) receive SPP deployment instructions for generators pseudo-tying into the SPP Balancing Authority; (ii) account for load pseudo-tying into the SPP Balancing Authority; and (iii) enable SPP to account for congestion and losses associated with generators and loads pseudo-tying out of the SPP Balancing Authority in accordance with the Market Protocols.

- (g) Market Participant shall design, construct, operate and maintain real-time and historical systems and communications equipment, at Market Participant's expense, in order to provide the External Local Balancing Authority and the SPP Balancing Authority with the corresponding real-time pseudo-tie value. Market Participant's systems shall provide this signal to the SPP Balancing Authority per the SPP Balancing Authority's ICCP communication standards. Market Participant's system shall provide this signal to the External Local Balancing Authority in a manner mutually agreed to between the External Local Balancing Authority and the Market Participant.
- (h) SPP, in accordance with the Market Protocols, will provide the Market Participant commitment and dispatch instructions for generators pseudo-tying into the SPP Balancing Authority for participation in the Energy and Operating Reserve Markets consistent with such instructions issued to other registered Resources.
- (i) For generators pseudo-tying into the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered generator output received by SPP from the Market Participant. The Market Participant shall simultaneously provide this value to the External Local Balancing Authority.
- (j) For generators pseudo-tying out of the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered generator output received by the External Local Balancing Authority from the Market Participant. The Market Participant shall simultaneously provide this value to the SPP Balancing Authority.
- (k) For loads pseudo-tying into the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered load consumption received by SPP from the Market Participant. The Market Participant shall simultaneously provide this value to the External Local Balancing Authority.
- (l) For loads pseudo-tying out of the SPP Balancing Authority, the real time pseudo-tie value will be equal to the real-time telemetered load consumption received by the External Local Balancing Authority from the Market Participant. The Market Participant shall simultaneously provide this value to the SPP Balancing Authority.
- (m) The External Local Balancing Authority and/or SPP will request MISO to include, and the SPP Balancing Authority will include, the real time pseudo-tie value in their respective calculations of Net Actual Interchange ("NAI") and Area Control Error ("ACE").
- (n) If communication is lost between any of the Parties (including communication between SPP and the Market Participant), the External Local Balancing Authority and the SPP Balancing Authority will freeze at the last known value and it is the responsibility of the Market Participant to verbally communicate changes of the real time pseudo-tie values with the other Parties.

- (o) Market Participant shall notify Parties of any real-time circumstances that affect the Market Participant's obligation or ability to meet the SPP Setpoint Instructions or External Local Balancing Authority instructions. A generator pseudo-tying into the SPP Balancing Authority will be subject to the same penalties as a Resource under Attachment AE of the SPP Tariff. A generator pseudo-tying out of the SPP Balancing Authority will be subject to the rules and procedures specified by the External Local Balancing Authority.
- (p) The External Local Balancing Authority and the SPP Balancing Authority shall integrate the real time pseudo-tie value on an hourly basis and maintain this information for balancing authority checkout, inadvertent calculations and payback purposes in accordance with the applicable NERC standards, and the External Local Balancing Authority and/or SPP will request MISO to integrate the real time pseudo-tie value on an hourly basis and maintain this information for balancing authority checkout, inadvertent calculations and payback purposes in accordance with the applicable NERC standards. For generators and loads pseudo-tying into the SPP Balancing Authority, it is the responsibility of the External Local Balancing Authority to checkout these hourly integrated values with the Market Participant prior to the External Local Balancing Authority's final daily checkout with the SPP Balancing Authority. For generators and loads pseudo-tying out of the SPP Balancing Authority, it is the responsibility of the SPP Balancing Authority to checkout these hourly integrated values with the Market Participant prior to the SPP Balancing Authority's final daily checkout with the External Local Balancing Authority.
- (q) The Market Participant for generators and loads pseudo-tying into or out of the SPP Balancing Authority Area is responsible for submission of settlement meter data for use in the settlement process of the Real-Time Balancing Market in accordance with the SPP Market Protocols.
- (r) Except as otherwise provided in this Section 2, failure by the Market Participant to provide real-time pseudo-tie values in a timely manner constitutes a basis for the immediate suspension of this Agreement by the External Local Balancing Authority or SPP Balancing Authority. In the event of such suspension, the Market Participant shall provide a remedy for the cause of the failure prior to resumption of participation. In the event of two suspensions within a thirty day period, this Agreement may be terminated, in accordance with Section 7 of this Agreement, at the sole discretion of the External Local Balancing Authority or SPP Balancing Authority.

3. Losses. For generators and loads pseudo-tying into the SPP Balancing Authority, Market Participant will be responsible for loss compensation to transmission provider(s) to deliver their energy to or receive their energy from the SPP Balancing Authority. Pseudo-tie value(s) will be considered net of losses external to SPP. Losses within the SPP Balancing Authority attributable to the Market Participant's participation in the Energy and Operating Reserve Markets, including

generators and loads pseudo-tying out of the SPP Balancing Authority, shall be handled in the same manner as other Energy and Operating Reserve Markets transactions.

4. Compensation. For generators and loads pseudo-tying into the SPP Balancing Authority, Market Participant will compensate the External Local Balancing Authority for the reasonable implementation and operations related costs borne by the External Local Balancing Authority as a result of this Agreement unless the Market Participant and External Local Balancing Authority agree to a different cost arrangement, which shall be filed with the Commission in a non-conforming agreement. For generators and loads pseudo-tying out of the SPP Balancing Authority, Market Participant will compensate the SPP Balancing Authority for the reasonable implementation and operations related costs borne by the SPP Balancing Authority as a result of this Agreement unless the Market Participant and SPP Balancing Authority agree to a different cost arrangement, which shall be filed with the Commission in a non-conforming agreement.

5. Auditing. Each Party reserves the right to audit records necessary to permit evaluation and verification of claims submitted, and the other Party's compliance with this Agreement. The Parties shall retain for a period of three years all information and records relating to the performance of this Agreement. Each Party may examine and copy such information and records at the other Party's premises during regular business hours and upon advance notice given no less than 15 calendar days prior to such examination.

6. Effective Date. The Agreement is effective upon full execution if it is not filed with the Commission. If the Agreement is filed with the Commission, then it is effective upon the later of the date of execution or the date allowed by the Commission. If the parties are unable to resolve any issues, SPP shall file an unexecuted agreement with the Commission, including all agreed-upon non-conforming deviations.

7. Termination. Other than as provided in Section 2(r), ~~this Agreement shall terminate on \_\_\_\_\_ (Date), unless extended by agreement of all the Parties. Any~~ Party shall have the right to terminate this Agreement upon —month'ssixty (60) days' notice, subject to receiving all necessary regulatory approvals for such termination.

8. Governing Law. The interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with the applicable Federal and/or State laws without regard its conflicts of laws provisions that would apply the laws of another jurisdiction.

9. Interpretation. In this Agreement:

- (a) the words "include", "includes" and "including" are deemed to be followed by the words "without limitation";
- (b) references to contracts, agreements and other documents and instruments shall be references to the same as amended, supplemented or otherwise modified from time to time;

- (c) references to laws or standards and to terms defined in, and other provisions of, laws or standards shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time; and
- (d) references to a person shall include its successors and permitted assigns and, in the case of a governmental or other authority (including SPP and the North American Electric Reliability Corporation), any person succeeding to its functions and capacities.

10. Severability. If any provision of this Agreement is held invalid, illegal or unenforceable in any jurisdiction, then, the Parties agree, to the fullest extent permitted by law, that the validity, legality and enforceability of the remaining provisions hereof in such or any other jurisdiction and of such provision in any other jurisdiction shall not in any way be affected or impaired thereby. With respect to the provision held invalid, illegal or unenforceable, the Parties will amend this Agreement as necessary to effect the original intent of the Parties as closely as possible.

11. Complete Agreement; Amendments. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement. This Agreement may be amended, supplemented or otherwise modified only by an instrument in writing signed by all Parties.

12. Other Obligations. Nothing in this Agreement is intended to modify or change any obligations or rights under any tariff (including the SPP Tariff), any rate schedule, or any other contract. This Agreement does not in any way provide transmission service or address rates, terms or conditions of transmission service or indicate in any way that transmission service is available or properly awarded. A Party seeking transmission service must still go through the full tariff process to obtain transmission service. This Agreement also does not establish any generation as a designated network resource under the Tariff; the requirements of the Tariff still must be satisfied. Nor does this Agreement make any Party a Market Participant under the SPP Tariff. A Party seeking to become a Market Participant must apply to SPP under the terms of the SPP Tariff and nothing in this Agreement affects its rights or obligations as a Market Participant.

13. Commission Filing. If unchanged, a signed version of this form agreement shall not be filed with the Commission. SPP will simply report the existence of a signed agreement in its quarterly reports. If the form agreement is substantively changed, then SPP shall file the revised form agreement with the Commission. The Parties shall be bound to the terms accepted or ordered by the Commission.

14. Modification. Nothing in this Agreement is intended to modify or limit the right of SPP to submit under FPA Section 205 or Section 206 unilateral changes to this Agreement (both the form Agreement and any signed agreement); the right of any other Party to seek unilateral changes under FPA Section 206, or the right of the Federal Energy Regulatory Commission to accept any FPA Section 205 filing or to make changes under FPA Section 206 or to initiate proceedings under FPA Section 206.

15. Charges. The provisions in this Agreement providing for compensation do not authorize Commission regulated public utilities to impose charges without a separately filed tariff or rate schedule being accepted by the Commission.

16. Disputes. Any disputes under this Agreement shall first be resolved pursuant to the dispute resolution procedures in the SPP's Open Access Transmission Tariff. Any disputes may be brought to the Commission.

17. Breach. If any Party breaches the terms of this Agreement, then a non-breaching Party may seek any relief it believes is appropriate at the Commission. A breach is considered a substantive violation of this Agreement. Prior to pursuing a remedy at the Commission for a breach, a non-breaching Party shall provide five business days' notice of the breach to the breaching Party. If the breaching Party does not eliminate the breach within five (5) business days after the notice is received by the breaching Party, then the non-breaching Party may pursue its remedies at the Commission.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart. The delivery of an executed counterpart of this Agreement by facsimile shall be deemed to be valid delivery thereof.

The Parties have caused this Agreement to be signed by their authorized representatives on the day and year first above written.

| **External Local Balancing Authority**

By: /s/ John Hurstell

Name: John Hurstell

Title: V.P. System Planning & Operations

**SPP Balancing Authority**

By: /s/ Carl Monroe

Name: Carl Monroe

Title: EVP & COO

**Market Participant**

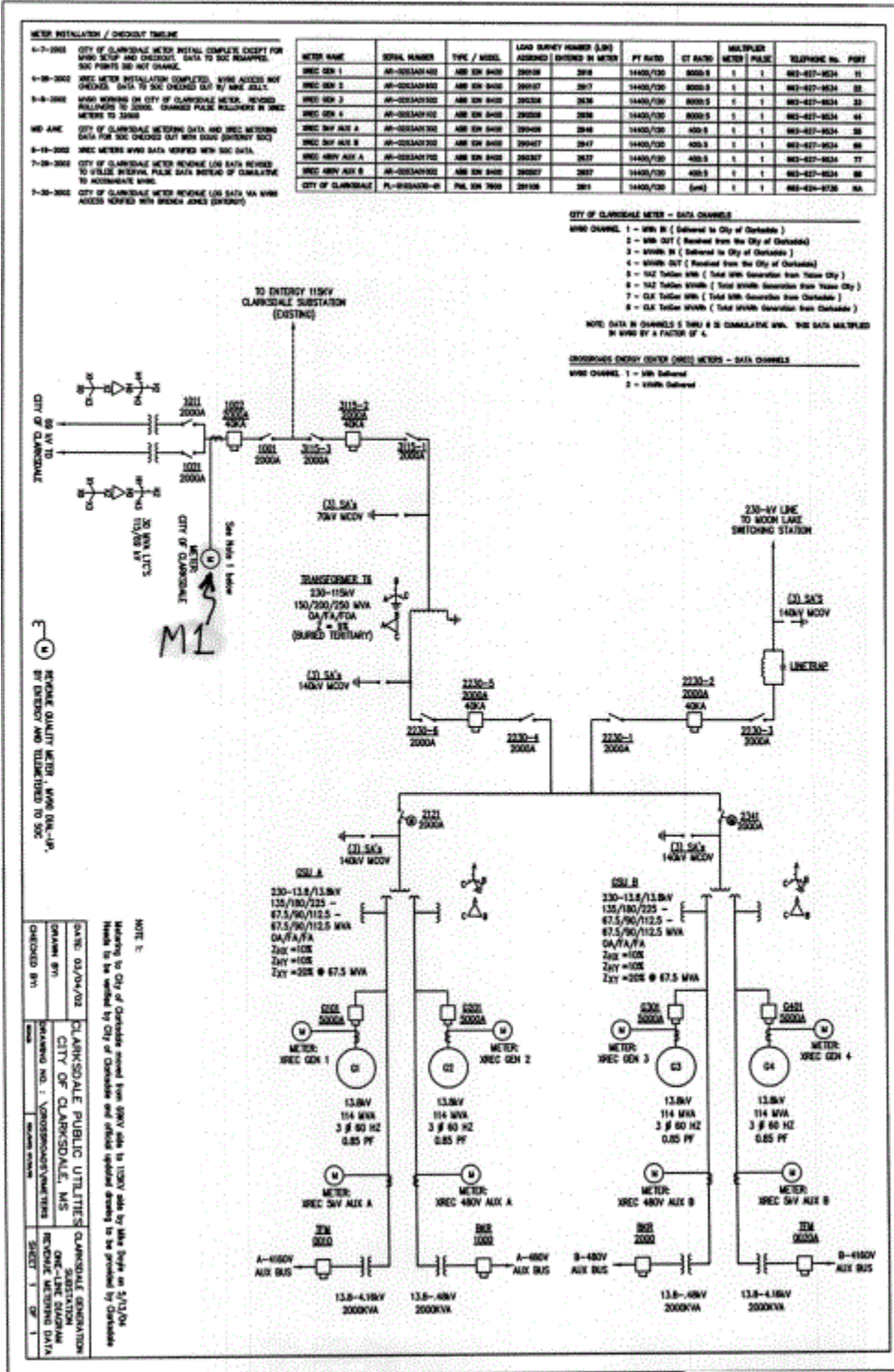
By: /s/ Eric Peterson

Name: Eric Peterson

Title: Director Generation Sales & Services



# EXHIBIT A ONE-LINE DIAGRAM



## EXHIBIT B BLOCK DIAGRAM

