

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application of South Central )  
MCN LLC for Approval of Transfer of Assets and )  
A Certificate of Convenience and Necessity )

File No. EA-2016-0036

**GRIDLIANCE HIGH PLAINS LLC JANUARY 1, 2019 REPORT  
CONCERNING MEMBERSHIP IN SOUTHWEST POWER POOL, INC.**

On July 20, 2016, effective August 2, 2016, the Missouri Public Service Commission (Commission) issued an Order granting GridLiance High Plains LLC (f/k/a South Central MCN LLC) (GridLiance) a Certificate of Convenience and Necessity (CCN) with respect to certain transmission assets GridLiance was acquiring from the City of Nixa, Missouri (Nixa Assets). See Order in File No. EA-2016-0036. In ordering paragraph 1.f, the Commission provided:

Beginning January 1, 2017 and every year thereafter on January 1, or until otherwise ordered by the Commission, SCMCN shall file a report with the Commission concerning its membership in SPP. Such report shall include the perspective of SCMCN on the economic viability of remaining in SPP.

This report is submitted in compliance with the Commission’s directive.

GridLiance’s application with the Federal Energy Regulatory Commission (FERC) to acquire the Nixa Assets was approved by FERC on March 15, 2018. GridLiance subsequently filed with FERC its Notice of Acquisition of the Nixa Assets on April 4, 2018. However, on October 18, 2017, in FERC Docket ER18-99-000, the Southwest Power Pool, Inc. (SPP) filed proposed amendments with FERC to its Open Access Transmission Tariff (Tariff) to include GridLiance’s formula rate template and protocols, and GridLiance’s revenue requirement associated with the Nixa Assets, in the SPP pricing zone for the Southwestern Power Administration (SWPA), or Zone 10. GridLiance also executed the SPP Membership Agreement as a transmission owning member on June 12, 2017. GridLiance turned over functional control of the Nixa Assets to the SPP Regional Transmission Organization (RTO) as of April 1, 2018. Consistent

with ordering paragraph 1.f, GridLiance is directed to report on the “economic viability of remaining in SPP.” As noted above, GridLiance is currently recovering its revenue requirement associated with the Nixa Assets in SPP pricing zone 10. GridLiance’s formula rate template, which sets forth its expenses and authorized rate of return, is posted on its website.<sup>1</sup> In addition, during 2017, the City of Nixa, Missouri (which has four delivery points off of the GridLiance’s transmission facilities) became a Network Integrated Transmission Service customer of SPP, which is providing benefits to Missouri customers. The GridLiance facilities are interconnected only with transmission facilities under the functional control of SPP and not with facilities of any other RTO. Specifically, the facilities interconnect with facilities owned by City Utilities of Springfield, Missouri, and SWPA.

GridLiance’s participation in SPP provides improved reliability and other benefits by ensuring that these facilities are evaluated as a part of SPP’s regional planning process. In 2018, SPP issued a Notification to Construct directing GridLiance to upgrade a portion of the facilities in Nixa, Missouri, to address a regional reliability need.<sup>2</sup> Were GridLiance to leave SPP it would result in certain Missouri ratepayers paying for both SPP transmission service and a separate transmission service charge for the use of the GridLiance facilities, resulting in a rate pancake. Given the configuration of the GridLiance

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<sup>1</sup> GridLiance High Plain’s website is available at <http://www.gridliance.com/gridliance-high-plains/>.

<sup>2</sup> The Notification to Construct is described in more detail in EA-2019-0112.

facilities there is no other regional option other than SPP. Accordingly, GridLiance reports that it is economically viable to remain in SPP.

Respectfully submitted,

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VERIFICATION

I verify under penalty of perjury that I have read and know the contents of the foregoing Report of GridLiance High Plains LLC concerning Membership in the Southwest Power Pool, Inc. dated December 31, 2018; and that the information contained therein is true and correct to the best of my knowledge, information, and belief.

DocuSigned by:  
*J. Brett Hooton*  
By:  B0499C4785F84FC...  
J. Brett Hooton

Dated: December 31, 2018

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all parties entitled to notice.

Dated at Lewisville, Texas, this 31<sup>st</sup> day of December, 2018

/s/ Janet Virga  
Janet Virga