BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of GridLiance High Plains LLC for Authority to Sell Certain Assets to the Missouri Joint Municipal Electric Utility Commission and, in Connection Therewith, Certain Other Related Transactions.

File No.

APPLICATION AND MOTION FOR WAIVER

COMES NOW GridLiance High Plains LLC (GridLiance HP), and, pursuant to Section 393.190, RSMo, 20 CSR 4240-2.060 and 20 CSR 4240-10.105, states the following to the Missouri Public Service Commission (Commission) as its *Application and Motion for Waiver*:

BACKGROUND INFORMATION

1. GridLiance HP is a limited liability company organized and existing under the laws of the State of Delaware and a wholly owned direct subsidiary of GridLiance Eastern Holdings LLC. GridLiance Eastern Holdings LLC is, in turn, a wholly owned direct subsidiary of GridLiance Heartland Holdings LLC, which is, in turn, wholly owned by GridLiance Holdco, LLC. GridLiance Holdco, LLC is a wholly owned subsidiary of NextEra Energy Transmission, LLC. NextEra Energy Transmission, LLC is a wholly owned, indirect subsidiary of NextEra Energy, Inc. GridLiance HP has its principal office and place of business at 201 East John Carpenter Freeway, Suite 900, Irving, Texas 75062, (972) 476-0154, and its Missouri registered office is 221 Bolivar Street, Jefferson City, Missouri 65101. GridLiance HP is currently authorized to do business in the State of Missouri. A Certificate of Good Standing issued by the Missouri Secretary of State's Office for GridLiance HP was provided in Commission Case No. EM-2021-0114, is current and correct, and is hereby incorporated by reference as if fully set forth herein in accordance with Commission Rule 20 CSR 4240-2.060(1)(G).

2. GridLiance HP is a public utility that possesses Certificates of Convenience and Necessity (CCNs) as a result of the Commission's July 20, 2016 Order in Case No. EA-2016-0036, and the Commission's December 19, 2018 Order in Case No. EA-2019-0112. The EA-2016-0036 Order (1) granted a CCN to GridLiance HP's predecessor, South Central MCN LLC (SCMCN); (2) approved the purchase by SCMCN of approximately ten (10) miles of 69 kilovolt transmission lines and related facilities located in Christian and Greene Counties that SCMCN sought to acquire from the City of Nixa, Missouri (the "Southwest Missouri Assets"); and (3) approved the transfer of functional control of the Southwest Missouri Assets to the Southwest Power Pool, Inc. (SPP), subject to compliance with certain conditions and post-closing obligations. Thereafter, pursuant to an Order effective September 4, 2018, SCMCN changed its name to GridLiance High Plains LLC. GridLiance HP subsequently obtained a CCN related to additional construction as to its then existing facilities in Case No. EA-2019-0112.

3. GridLiance HP is an "electrical corporation" and a "public utility," as those terms are defined in Section 386.020 RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law. GridLiance HP has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which action, judgment or decision has occurred within the last three (3) years. GridLiance HP has no overdue Commission annual reports or assessment fees.

4. The Missouri Joint Municipal Electric Utility Commission (MJMEUC) is a municipal joint action energy agency formed under the Joint Municipal Utility Commission Act, §§ 393.700 to 393.770, RSMo. MJMEUC has its principal office located at 1808 Interstate 70 Dr. SW, Columbia, Missouri 65203, (573) 445-3279.

5. MJMEUC is a joint action agency and a body corporate and politic of the State of Missouri and, as such, is not subject to the jurisdiction of the Commission. MJMEUC is authorized by legislation to construct, operate, and maintain jointly owned transmission and generation facilities for the production and transmission of electric power for its members, to purchase and sell electric power and energy, and to enter into agreements with any person for the transmission of electric power. MJMEUC is organized on a state-wide basis to promote efficient wheeling, pooling, generation, and transmission arrangements to meet the power and energy requirements of municipal electric utilities in the State of Missouri. MJMEUC's membership includes seventy municipal entities in Missouri and four advisory members in Arkansas. Together, MJMEUC's members serve some 347,000 retail electric customers.

6. Since January 1, 2000, pursuant to its authority under state law, MJMEUC has been administering multiple full-requirement power pools formed by some of MJMEUC's member municipal utilities. Currently, MJMEUC has three full-requirement power pools comprised of fifty of MJMEUC's members. Those three MJMEUC power pools have loads and/or resources located within the transmission systems of the SPP and the Midcontinental Independent System Operator, Inc. (MISO).

7. In addition to the undersigned counsel, communications regarding this Application should be addressed to:

Kathryn L. Patton Gregory D. Jones GridLiance High Plains LLC 201 E. John Carpenter Freeway Suite 900 Irving, TX 75062 Telephone: (972) 476-0154 kathy.patton@gridliance.com greg.jones@gridliance.com

THE TRANSACTION

8. The Southwest Missouri Assets that GridLiance HP acquired from the City of Nixa are the Missouri public utility assets that are the subject of this proceeding. GridLiance HP and MJMEUC have entered into an Asset Purchase Agreement By and Between GridLiance High Plains LLC and Missouri Joint Municipal Electric Utility Commission dated October 12, 2021 (Agreement), a copy of which is marked <u>Appendix A-C</u>, and attached hereto. Pursuant to the Agreement, MJMEUC agrees to obtain and acquire the Southwest Missouri Assets of GridLiance HP as specifically described in the Agreement under the terms and provisions further described in the Agreement. Under authority of, and in accordance with, 20 CSR 4240-2.135(2)(A)(3) and (6), the Agreement has been designated "Confidential" because it contains market-specific information and information representing strategies employed in contract negotiations.

9. Because GridLiance HP is an electrical corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo, which states, in pertinent part, that "no . . . electrical corporation . . . shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do."

DESCRIPTION OF ASSETS TO BE TRANSFERRED

10. The assets to be transferred, the Southwest Missouri Assets of GridLiance HP, are approximately ten (10) miles of 69 kilovolt transmission lines and related facilities located in Christian and Greene Counties, State of Missouri, more specifically described in <u>Appendix A-C</u>. These are all of GridLiance's assets in the state of Missouri at this time. Thus, upon the closing of

the transaction called for by the Agreement, GridLiance HP will no longer be an electrical corporation in Missouri.

ADDITIONAL INFORMATION

11. Attached as <u>Appendix B</u> is a certified copy of the resolution of the sole Member of GridLiance HP authorizing it to enter into the Agreement and to carry out all the obligations contained in the Agreement.

12. The sale of assets will have an impact on the tax revenues of relevant political subdivisions in which the assets involved in the sale are located, as MJMEUC is a tax-exempt entity.

PUBLIC INTEREST

13. The proposed sale of the specified Southwest Missouri Assets of GridLiance HP and the related transactions are not detrimental to the public interest of the State of Missouri. The assets of GridLiance HP will be acquired by MJMEUC. As described above, MJMEUC is an agency that was formed under the laws of the State of Missouri for the purpose of providing economical energy and power supply, management, and transmission services for the benefit of its member municipal utilities.

14. The proposed sale of the specified Southwest Missouri Assets of GridLiance HP and the related transactions will not have an adverse effect on any wholesale rates for electric power. With respect to transmission rates, MJMEUC recovers the costs for its transmission assets through the SPP and MISO formula rates on file with the Commission. MJMEUC will recover the rates for the Southwest Missouri Assets pursuant to SPP's tariff, just as GridLiance HP did before it. The MJMEUC annual transmission revenue requirement associated with its ownership of the Missouri Assets will be lower than the GridLiance HP annual transmission revenue requirement currently being recovered through SPP's tariff. Thus, the transaction will have no impact on wholesale rates for electric power or transmission service.

15. MJMEUC is fully qualified, in all respects, to own and operate the Southwest Missouri Assets of GridLiance HP that are currently being operated by GridLiance HP and to otherwise provide safe, reliable, and affordable service. MJMEUC will continue to utilize the rates set forth in the SPP tariffs.

MOTION FOR WAIVER

16. Commission Rule 20 CSR 4240-4.017(1) requires "[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." Because it did not file such a notice within the time period prescribed by that rule, GridLiance HP seeks a waiver of the 60-day pre-filing notice requirement.

17. Under 20 CSR 4240-4.017(1)(D), a waiver of the pre-filing notice requirement may be granted for good cause. In this regard, GridLiance HP declares, as verified below, that within the 150 days prior to this application GridLiance HP has not had communication with the Office of the Commission (as defined in 20 CSR 4240-4.015(10)) regarding any substantive issue likely to be in this case. Good cause for the requested waiver exists in accordance with Commission Rule 20 CSR 4240-4.017(1)(D) ("Good cause for waiver may include, among other things, a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case").

18. Therefore, as authorized by 20 CSR 4240-4.017(1)(D), GridLiance HP moves the Commission for a waiver of the 60-day notice requirement of 20 CSR 4240-4.017(1) and acceptance of this application at this time.

WHEREFORE, GridLiance HP respectfully requests that the Commission issue its order:

(A) authorizing GridLiance HP to sell the assets identified herein;

(B) authorizing GridLiance HP to perform in accordance with the terms described in the Asset Purchase Agreement that is attached to this Application and to take any and all other actions that may be reasonably necessary and incidental to the performance of the sale;

(C) authorizing GridLiance HP, effective upon the closing of the transaction, to terminate its responsibilities as an electrical corporation in Missouri, and cancelling GridLiance HP's CCNs and its filed tariffs;

(D) granting the motion for a waiver of the 60-day prefiling notice requirement of 20 CSR4240-4.017(1); and,

(E) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Asset Purchase Agreement and the Application and to consummate related transactions in accordance with the Agreement.

Respectfully submitted,

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Dean L. Cooper MBE #36592 Jesse W. Craig MBE #71850 BRYDON, SWEARENGEN & ENGLAND P.C. 312 E. Capitol Avenue P. O. Box 456 Jefferson City, MO 65102 (573) 635-7166 voice/(573) 635-0427 facsimile dcooper@brydonlaw.com jcraig@brydonlaw.com

ATTORNEYS FOR GRIDLIANCE HIGH PLAINS, LLC

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 10th day of December, 2021:

Office of the General Counsel staffcounselservice@psc.mo.gov

Office of the Public Counsel <u>opcservice@opc.mo.gov</u>

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AFFIDAVIT

I, J. Brett Hooton, having been duly sworn upon my oath, state that I am the President of GridLiance High Plains LLC, that I am duly authorized to make this affidavit on behalf of GridLiance High Plains LLC, and that the matters and things concerning GridLiance High Plains LLC stated in the foregoing Application and appendices thereto are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of GridLiance High Plains LLC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10), within the immediately preceding 150 days regarding the subject matter of this Application.

J. But Host

State of Texas)) ss County of Dallas)

Subscribed and sworn before me this be day of December, 2021.

SAVANNAH COTRAN lotary Public, State of Texas Comm. Expires 08-26-2025 Notary ID 125413980

My Commission Expires:

08/26/2025

Notary Public

APPENDIX A-C

HAS BEEN IDENTIFIED AS

CONFIDENTIAL

IN ITS ENTIRETY

GRIDLIANCE HIGH PLAINS LLC

SECRETARY'S CERTIFICATE

The undersigned, Jason B. Pear, Assistant Secretary of Gridliance High Plains

LLC, a Delaware limited liability company (the "Company"), hereby certifies that:

Attached hereto as <u>Exhibit A</u> are true and correct copies of resolutions (excluding exhibits, if any) duly adopted by written consent of the Member of the Company on December 3, 2021. Such resolutions have not been amended, modified or rescinded and remain in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto signed my name on this 6th day of December, 2021.

By:

Jason B. Pear Assistant Secretary

<u>EXHIBIT A</u>

RESOLUTIONS ADOPTED BY THE SOLE MEMBER ON DECEMBER 3, 2021

GRIDLIANCE HIGH PLAINS LLC

CONSENT OF SOLE MEMBER

The undersigned, being the sole member of GridLiance High Plains LLC, a Delaware limited liability company, hereby consents to and adopts the following resolutions, effective on and as of the date set forth below:

WHEREAS, GridLiance Eastern Holdings LLC, a Delaware limited liability company, is the sole member of GridLiance High Plains LLC, a Delaware limited liability company (the "Company"); and

WHEREAS, the Company and Missouri Joint Municipal Electric Utility Commission ("MJMEUC"), entered into an Asset Purchase Agreement (the "Agreement"), dated as of October 12, 2021, pursuant to which the Company agreed to sell certain assets set forth in the Agreement to MJMEUC.

NOW THEREFORE be it

RESOLVED, that the execution and delivery of the Agreement and the transactions contemplated thereby be, and they hereby are approved, ratified and confirmed in all respects; and

FURTHER RESOLVED, that each of the officers of the Company be, and each such officer, acting singly, hereby is, authorized and empowered, in the name and on behalf of the Company, to take, or cause to be taken, any and all such further actions, and to execute and deliver, or cause to be executed and delivered, all such officer's certificates and other agreements, amendments, supplements, modifications, waivers, consents, and other such documents and instruments, as such officer may deem necessary, appropriate, convenient or advisable in order for the Company to perform its obligations under, comply with the provisions of, and to effectuate the purposes and intent of, the Agreement, the transactions contemplated thereby and the foregoing resolutions (as conclusively evidenced by the taking of such action or the execution and delivery of such certificates, agreements, amendments, supplements, modifications, waivers, consents, documents or instruments, as the case may be, by such officer or officers); and

FURTHER RESOLVED, that any and all actions heretofore taken by any officer or authorized agent of the Company in connection with the subject matter of the foregoing resolutions be, and all such actions hereby are, approved, ratified and confirmed in all respects as the acts and deeds of the Company. A facsimile copy of this Consent of Sole Member or this Consent in portable document format shall have the same effect as an original.

IN WITNESS WHEREOF, the undersigned has executed this Consent of Sole Member on December 3, 2021.

GRIDLIANCE EASTERN HOLDINGS LLC

By:___

Natalie F. Smith President