

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of Entergy Arkansas, Inc.,     )  
Mid South TransCo LLC, Transmission Company Arkansas,     ) Case No. EO-2013-0396  
LLC and ITC Midsouth LLC for Approval of Transfer of Assets     )  
and Certificate of Convenience and Necessity, and Merger and,     )  
in connection therewith, Certain Other Related Transactions.     )

In the Matter of Entergy Arkansas, Inc.’s Notification of     )  
Intent to Change Functional Control of Its Missouri Electric     )  
Transmission Facilities to the Midwest Independent     ) Case No. EO-2013-0431  
Transmission System Operator, Inc. Regional Transmission     )  
System Organization or Alternative Request to Change     )  
Functional Control and Motions for Waiver and Expedited     )  
Treatment.     )

**REPLY OF KANSAS CITY POWER & LIGHT COMPANY AND KCP&L GREATER  
MISSOURI OPERATIONS COMPANY TO RESPONSE OF ENTERGY ARKANSAS,  
INC. TO MOTION TO DELAY ACTION**

COME NOW, Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively, the “Companies”), and hereby file their reply to Entergy Arkansas, Inc.’s (“EAI”) August 26, 2013 Response. Further, the Companies request that the Missouri Public Service Commission (“Commission”) disregard the *amicus curiae* response of Midcontinent Independent System Operator (“MISO”) filed on August 30, 2013, as the filing does not meet the requirements for filing an *amicus curiae* response pursuant to 4 CSR 240-2.075(11).

1. As a procedural matter, the Companies request that the Commission disregard the *amicus curiae* response of MISO. In accordance with 4 CSR 240-2.075(11), any person not a party to a case may petition the Commission for leave to file a brief as an *amicus curiae*. Unless otherwise ordered, the brief must be filed no later than the initial briefs of the parties. Pursuant

to the regulation, an *amicus curiae* is not permitted to file a reply brief. Initial briefs were due and were filed in this matter on July 12, 2013. Case No. EO-2013-0431 has been pending since March 21, 2013. MISO has had more than adequate time in which to appropriately file a timely *amicus curiae* response, and the Companies submit that its filing should be rejected by the Commission as out of time.

2. Turning to substantive matters, EAI asserts throughout its August 26, 2013 Response that Case No. EO-2013-0396 and Case No. EO-2013-0431 are not consolidated, and involve two separate and distinct transactions. However, as noted in the Companies' initial post-hearing brief and reply brief filed in these matters, the end result of both dockets is the same—*i.e.*, EAI's Missouri transmission assets will be under the functional control of MISO, and rates and charges for transmission service over those assets will be under the MISO Transmission, Energy, and Operating Reserve Markets Tariff ("MISO Tariff").

3. The Companies have demonstrated that they will suffer detrimental rate impacts from both transactions, and have proposed conditions the Commission should consider imposing when evaluating these dockets. Even apart from the effects of the transaction proposed in Case No. EO-2013-0396, the rate impact on the Companies that would result from the proposed integration of EAI and the other Entergy Operating Companies into MISO is on the order of magnitude of a doubling of the rate currently paid for transmission service through and out of the Entergy Operating Companies' transmission system.<sup>1</sup> As explained in the Companies' reply brief, the mitigation that has been proposed for the Arkansas pricing zone does relatively little to remedy this problem because the detrimental impact on the Companies

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<sup>1</sup> Reply Brief of KCP&L and GMO at ¶ 18.

would result primarily from proposed changes to regional rates.<sup>2</sup> EAI could propose measures to mitigate this impact on the Companies, but thus far has failed to do so.

4. EAI erroneously states that the intervenors suggest that this Commission should assert jurisdiction over terms of MISO's seams agreement with Southwest Power Pool ("SPP").<sup>3</sup> The intervenors in these proceedings have suggested no such thing. What the Companies have previously stated, and reiterate here, is that the transfer of functional control of EAI's transmission facilities into MISO and the integration into MISO of the Entergy Operating Companies' generation and load, will result not only in detrimental transmission rate impacts but also in thousands of megawatts of new or altered flows across Missouri transmission facilities.<sup>4</sup> Subsequent to the transfer of functional control of EAI's transmission assets, MISO will be responsible for congestion management of Missouri transmission facilities that will be impacted by the new flow patterns, including the coordination of such congestion management with SPP.

5. Without timely and effective congestion management, safety and reliability issues can arise, which is why the Companies have proposed that the Commission condition its approval upon a revised and uncontested joint operating agreement ("JOA") between SPP and MISO being established and approved by Federal Energy Regulatory Commission ("FERC") prior to the requested transfers. This condition would address the Commission's responsibilities with respect to safety and reliability of Missouri electric facilities. Notably, revisions to the SPP-MISO JOA have not yet been resolved, and FERC has encouraged parties to continue to work together to resolve issues through renegotiation of provisions in the JOA between SPP and MISO. FERC has directed MISO to report on the status of negotiations regarding the JOA on

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<sup>2</sup> Reply Brief of KCP&L and GMO at ¶ 21.

<sup>3</sup> EAI August 26, 2013 Response at p. 6.

<sup>4</sup> See, e.g., Post-Hearing Brief of KCP&L and GMO at ¶¶ 28-31; Reply Brief of KCP&L and GMO at ¶ 6.

or before November 1, 2013. EAI acknowledges that this status report is required to be filed by November 1, 2013.<sup>5</sup>

6. EAI also acknowledges that five other regulatory bodies have granted permission to the Entergy Operating Companies to join MISO, with conditions.<sup>6</sup> These state regulatory approvals were granted subject to conditions that were deemed necessary by those commissions to protect the public interest in those states. This Commission has the same obligation. Accordingly, if this Commission grants approval of the requested transfer of functional control, the Companies reiterate that it should impose conditions necessary to protect the public interest in Missouri. MISO noted in its *amicus curiae* response (if not disregarded by the Commission) its concern regarding the timing of the approval of EAI's request to join MISO. The Companies submit that the Commission's imposition of the conditions requested by the Companies need not result in any additional delay.

## **CONCLUSION**

For the foregoing reasons, the Companies respectfully request that that the Commission deny the applications in these matters. Alternatively, the Commission should impose conditions upon approval of either application that require an affirmative showing by the applicant(s) of no net detriment to the public interest. Any Order issued by the Commission approving EAI's integration of its facilities into MISO or approving EAI's transfer of its Missouri transmission assets to ITC Midsouth LLC ("ITC") should be conditioned upon the following:

- (a) The negotiation and approval of a revised JOA between SPP and MISO addressing, at a minimum, the loop flow issues and other altered flows related to the Missouri seam between SPP and MISO; and

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<sup>5</sup> EAI Brief at pp. 7-8; 15.

<sup>6</sup> EAI August 26, 2013 Response at pp. 8-17.

(b) A requirement that EAI and/or ITC “hold harmless” non-MISO Missouri retail consumers from all increased costs due to Entergy’s potential transfer of functional control of its transmission assets to MISO.

Respectfully submitted,

/s/ Roger W. Steiner

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Attorneys for Kansas City Power & Light Company  
and KCP&L Greater Missouri Operations Company

#### **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to all counsel of record in this case this 10<sup>th</sup> day of September, 2013.

/s/ Roger W. Steiner

Roger W. Steiner