

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

In the Matter of the Application of NextEra)
Energy Transmission Southwest, LLC for a)
Certificate of Public Convenience and)
Necessity to Construct, Install, Own, Operate,)
Maintain, and Otherwise Control and Manage) File No. EA-2022-0234
a 345 kV Transmission Line and associated)
facilities in Barton and Jasper Counties,)
Missouri)

APPLICATION

Pursuant to Section 393.170.1 RSMo., 20 CSR 4240-2.060, and 20 CSR 4240-20.045, NextEra Energy Transmission Southwest, LLC (“NEET Southwest”) hereby makes this application to the Missouri Public Service Commission (“Commission”) for a certificate of convenience and necessity (“CCN”) to construct, install, own, operate, maintain, and otherwise control and manage a 345 kV transmission line and associated facilities in Barton and Jasper Counties, Missouri.

I. GENERAL INFORMATION ABOUT THE APPLICANT

1. NEET Southwest is a Delaware limited liability company with its principal office at 700 Universe Blvd., Juno Beach, Florida 33408. NEET Southwest is duly authorized to do business in Missouri. A certified copy of NEET Southwest’s Authority to Conduct Business in the State of Missouri is attached to Becky Walding’s Direct Testimony as Exhibit BW-1.

2. NEET Southwest is a transmission-only utility formed in 2014 to construct, own, and operate transmission assets in the Southwest Power Pool, Inc. (“SPP”) region.

3. NEET Southwest is a direct, wholly-owned subsidiary of NextEra Energy Transmission, LLC (“NEET”), which, in turn is an indirect, wholly-owned subsidiary of NextEra Energy, Inc. (“NextEra Energy”). NEET serves as the holding company for NextEra Energy’s regulated transmission utilities across North America outside the State of Florida. NEET provides

electric transmission solutions through competitive solicitations and partnerships with public power, and NEET develops, finances, constructs, operates, and maintains transmission assets across the continent. The NEET portfolio includes regulated transmission subsidiaries with operating assets in Missouri, Kansas, Oklahoma, Texas, Indiana, New Hampshire, New York, Nevada, California, and Ontario, Canada. NEET expanded its portfolio of operating transmission subsidiaries in 2021 with its acquisition of the entities owned by GridLiance Holdco LP, including GridLiance High Plains LLC (“GridLiance HP”), which jointly owns transmission assets in Winfield, Kansas with the City of Winfield and which owns transmission assets in the Oklahoma Panhandle that serve Tri-County Electric Cooperative. NEET subsidiaries also have awarded projects in permitting in California and numerous other projects in earlier stages of development throughout the U.S. As discussed in greater detail below, NEET Southwest is the first non-incumbent transmission provider to win a Federal Energy Regulatory Commission (“FERC”) Order No. 1000 Project in SPP.¹

4. NextEra Energy is a proven, experienced owner of electric utilities across North America through its competitive energy subsidiary NextEra Energy Resources, LLC (“NEER”). A Fortune 200 company, NextEra Energy is the world’s largest electric utility by market capitalization, with revenues in calendar year 2021 of approximately \$17 billion and approximately 15,000 employees as of December 31, 2021. NextEra Energy subsidiaries currently have approximately 11,800 circuit miles of transmission lines and 1,000 substations located in every regional transmission organization (“RTO”) and North American Electric Reliability Corporation (“NERC”) region in the United States. As a NextEra Energy subsidiary, NEET

¹ See *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 76 Fed. Reg. 49,842 (Aug. 11, 2011), FERC Stats. & Regs. ¶ 31,323 at p. 545 and Appendix C (2011).

Southwest possesses significant operational, technical, and financial expertise, as discussed in greater detail in the testimony filed contemporaneously with this Application.

5. Other than matters that may be pending before FERC, NEET Southwest has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three (3) years that involve customer service or rates and has no overdue or unpaid annual reports or assessment fees.

6. In addition to the undersigned counsel, correspondence, communications, notices, orders, and decisions of the Commission with respect to this matter should be sent to:

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II. PROJECT DESCRIPTION AND BENEFITS

7. NEET Southwest is seeking a CCN to construct, install, own, operate, maintain, and otherwise control and manage approximately nine miles of a 345 kV transmission line in Barton and Jasper counties, Missouri. NEET Southwest was selected through SPP's competitive Transmission Owner Solicitation Process as the Designated Transmission Owner for the Wolf Creek-Blackberry 345 kV Transmission Project (the "Project" or "Wolf Creek-Blackberry Project"), which will be constructed as an approximately 94-mile, single-circuit 345 kV

transmission line between the existing Blackberry Substation, owned by Associated Electric Cooperative, Inc. (“AECI”) in Jasper County, Missouri, to the existing Wolf Creek Substation, owned by Evergy Kansas Central, Inc. (“Evergy”) in Coffey County, Kansas. The Project is expected to span two counties in Missouri (Barton and Jasper counties) for nine miles and five counties in Kansas (Coffey, Anderson, Allen, Bourbon, and Crawford counties) for 85 miles.

8. Further details about the Project are provided in the direct testimony of Becky Walding, Executive Director, Development of NEET.

9. As explained in this Application and the associated testimony, granting the requested CCN is necessary and convenient for the public service. This Project was identified by SPP in its 2019 ITP Assessment as a project that was required to address multiple needs, and in particular, an economic need to increase the transmission capability and relieve transmission congestion from west to east within SPP.²

10. SPP evaluated the need for the Project as part of its 2019 ITP process and concluded this Project addressed “multiple 2019 ITP needs”, including economic and additional needs. SPP explained that it had evaluated the transmission needs in southwest Missouri and southeast Kansas “for several reasons.” Specifically, SPP identified the following congestion issues experienced in this area:

[t]he area has been the site of historic and projected congestion on the [extra- high voltage (“EHV”)] system and has had unresolved transmission limits identified in multiple studies, most recently in the 2018 [ITPNT].... Continued integration of wind generation on the western side of the SPP system has contributed to diminishing transmission capacity capable of supporting bulk power transfers to the east. This has led to declining transient stability margins at the Wolf Creek nuclear plant. The Butler-Altoona 138 kV line in southeast Kansas, already known for its advanced age, was identified by NERC as having one of the highest outage rates for its voltage class. It regularly experiences high system flows during times of elevated wind output. The Neosho-Riverton 161 kV line to the south is also a common issue in real-time operations. The Wolf Creek 345/69 kV transformer,

² Exhibit BW-3 (2019 ITP Assessment) at § 7.1.1.

which supplies the 69 kV network of loads between Wolf Creek and Neosho, frequently experiences heavy congestion and loading when the Waverly-La Cygne line is outaged in both reliability and economic analyses.³

11. In recommending the Project in its 2019 ITP Assessment, SPP explained:

[t]he major study driver for the new Wolf Creek-Blackberry 345 kV line is its ability to relieve congestion and divert bulk power transfers away from the Wolf Creek-Waverly-La Cygne 345 kV line, Wolf Creek 345/69 kV transformer and downstream 69 kV lines, and allowing system bulk power transfers to continue to flow east to major SPP load centers. This will help to levelize system [locational marginal prices (“LMP”)], low generator LMPs in the west and high load LMPs in the east, and overall system congestion while providing market efficiencies and benefits to ratepayers and transmission customers.

The new 345 kV line parallels three major contingencies in the area: Caney River-Neosho 345 kV line, Wolf Creek-Waverly-La Cygne 345 kV line, and Neosho-Blackberry 345 kV. Paralleling the Neosho-Blackberry 345 kV line relieves congestion on the Neosho-Riverton 161 kV for the Neosho-Blackberry 345 kV line outage and reduces congestion on Neosho-Riverton 161 kV line for the loss of Blackberry-Jasper 345 kV line outage.⁴

12. In addition to meeting economic needs, SPP also indicated that “the new Wolf Creek-Blackberry 345 kV line...resolves multiple 2019 ITP needs and additional issues identified for Target Area 1.”⁵

13. In particular, SPP explained that the Project:

resolves declining transient stability margins at the Wolf Creek nuclear plant by adding a fourth 345 kV outlet that is expected to increase system resiliency and reduce system operation risks. Dynamic simulations show the performance of the Wolf Creek unit with the addition of the Wolf Creek-Blackberry 345 kV transmission line met the ‘SPP Disturbance Performance Requirements.’ This solution will address the transient stability limit discussed previously in Section 4.1.1.1.

The Wolf Creek-Blackberry 345 kV line adds transmission capacity that is expected to relieve system loading and increase available transfer capability (ATC) to local long-term transmission service customers. This should also improve positions of candidate [Auction Revenue Rights (“ARR”)] holders that would lead to improved [Transmission Congestion Rights (“TCR”)] funding and reduce the need for

³ *Id.* at § 4.1.1.1.

⁴ *Id.* at § 7.1.1.

⁵ *Id.*

counterflow optimization. This line would specifically help to mitigate the Neosho-Riverton 161 kV ARR constraints.⁶

SPP also determined that the Project “provides additional flexibility for future expansion options, including further expansion into eastern load centers and the opportunity for future seams projects with neighboring regions.”⁷

III. SUMMARY OF DIRECT TESTIMONY

14. A list of NEET Southwest witnesses providing direct testimony in support of this Application and the subject matters covered are summarized in the following table.

Name	Exhibit No.	Subject Matter
Becky Walding	1	Provides an overview of the Project; describes a need for the Project; explains NEET Southwest’s financial, technical, and managerial capabilities to construct, own, operate, and maintain the Project; and outlines how the proposed service is in the public interest.
Daniel Mayers	2	Describes NEET Southwest’s engineering and technical qualifications to provide the proposed service and to engineer, design, and construct the Project; provides an overview of the engineering details of the Project, including location, engineering design, land acquisition, and construction schedule; and describes NEET Southwest’s plans for competitive bidding for the Project.
LaMargo V. Sweezer-Fischer	3	Testifies to NEET Southwest’s and its affiliates’ technical and managerial capabilities to provide the proposed service by operating and maintaining the Project; and supports NEET Southwest’s ability to operate the Project in a safe and reliable manner.
Amanda Finnis	4	Illustrates that the Project is economically feasible; describes NEET Southwest’s financial ability to construct, own, operate, and maintain the Project, as well as the financial capabilities of NEET Southwest and the NextEra Energy organization; and explains how NEET Southwest intends to finance the Project.
Dusty Werth, Burns & McDonnell Engineering Company, Inc.	5	Details the route selection process and supports the Project’s environmental assessment, routing analysis, and legal description of the Proposed Route.

⁶ *Id.*

⁷ *Id.*

("Burns & McDonnell")		
Sarah Nettels, Burns & McDonnell	6	Provides background on outreach to landowners, local agencies, and local officials.
Dr. David Loomis, Ph.D., President, Strategic Economic Research, LLC	7	Testifies that the Project will be beneficial on an overall basis to state and local economies and communities in the area of the Project.

IV. MISCELLANEOUS FILING REQUIREMENTS

15. In addition to the general information stated above, this Application and the associated testimony satisfies the filing requirements of 20 CSR 4240-20.045(6) as follows:

16. The description of the proposed route and site of construction, as well as the environmental and cultural impacts of the Project and coordination with local, state, and federal agencies, are provided in the direct testimony and schedule of Dusty Werth. Daniel Mayers testifies to the land requirements for the Project and the easement acquisition process. Sarah Nettels describes the public engagement that NEET Southwest undertook for the Project.

17. A list of all electric, gas, and telephone conduit, wires, cables, and lines of regulated and nonregulated utilities, railroad tracks, and each underground facility, as defined in Section 319.015, RSMo., which the proposed construction will cross, is provided as Appendix A hereto.

18. A description of the plans and specifications for the Project is set forth in the direct testimony of Mr. Mayers. Mr. Mayers also describes the Project schedule, including the projected beginning of construction date and the anticipated fully operational and used for service date of the Project. Becky Walding describes the costs, as well as the binding cost containments commitments that NEET Southwest has made, for the Project.

19. No common plant will be included in the Project.

20. Plans for financing the Project are discussed in the direct testimonies of Amanda Finnis.

21. NEET Southwest is not subject to 20 CSR 4240-22, as it is not an electric utility which sold more than one million megawatt-hours to Missouri retail electric customers in calendar year 2009. Accordingly, the requirement to describe how the Project relates to the utility's adopted preferred plan is not applicable.

22. An overview of NEET Southwest's plan for the Project regarding competitive bidding for the design, engineering, procurement, construction management, and construction of the Project is provided in the direct testimony of Mr. Mayers.

23. A description of the operational features of the Project is provided in the direct testimony of LaMargo Sweezer-Fischer. Ms. Sweezer-Fischer also provides an overview of plans for operating and maintaining the Project and for restoration of safe and adequate service after significant, unplanned/forced outages of the Project.

24. An affidavit addressing the verification required by 20 CSR 4240-2.060(1)(M) is provided as Appendix B hereto. An affidavit confirming compliance with the notice requirements of 20 CSR 4240-20.045(6)(K) is attached as Appendix C hereto.

V. OTHER MATTERS

25. On March 3, 2022, NEET Southwest filed notice of this Application as required by 20 CSR 4240-4.017.

26. Because NEET Southwest will not provide retail service to end-use customers and will not be rate-regulated by the Commission, NEET Southwest requests that the Commission waive the depreciation study requirement of 20 CSR 4240-3.175, the reporting requirements of 20 CSR 4240-3.190(1), (2) and 3(A)-(D), the annual reporting requirement of 20 CSR 4240-10.145, the rate schedule filing requirement of 20 CSR 4240-20.105, for good cause.

27. NEET Southwest also requests that the Commission waive 20 CSR 4240-20.015(3)-(7) because those subsections address evidentiary standards and record keeping requirements which are only applicable when the Commission has ratemaking authority. Here, FERC will have exclusive jurisdiction over NEET Southwest's rates. A variance exempting NEET Southwest from compliance with subsections (3)-(7) is necessary to avoid conflicting evidentiary and reporting requirements between Missouri regulations and FERC regulations. Notably, NEET Southwest is not seeking a variance from 20 CSR 4240-20.015(2), as NEET Southwest already plans to abide by the asymmetrical pricing rules contained in subsection (2). In Case No. EO-2018-0092, the Commission granted The Empire District Electric Company ("Empire") a variance from subsection (2)(A) and (3) of the affiliate transaction rules. In that case, the variance related to contracts between Empire; its affiliate, Liberty Service Corp. ("Service Corp."); and Empire's subsidiary wind project company. The Commission found good cause existed because Empire's "Cost Saving Plan" was in the public interest and would not be implemented without the requested variance to allow goods and services to be provided by Service Corp. to the wind subsidiary at established rates. Similarly, the Project is in the public interest and a variance/waiver will allow NEET Southwest to utilize necessary services from its affiliates. However, ratepayers are more protected in this instance than in the Empire example, because NEET Southwest will continue to abide by the asymmetrical pricing rule.

28. NEET Southwest will file with the Commission the annual report it files with FERC.

29. NEET Southwest is not seeking expedited treatment of this Application, but for the purposes of planning, requests an order from the Commission by November 16, 2022, which is in line with a typical timeline for processing a CCN application of this nature.

WHEREFORE, NEET Southwest respectfully requests the Commission grant its request for a CCN for the Project, and take such other action as it determines the law requires in order to approval all aspect of the Project.

Respectfully submitted,

/s/ Anne E. Callenbach

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ATTORNEYS FOR NEXTERA ENERGY
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served upon the parties listed below by email or U.S. mail, postage prepaid, this 7th day of July, 2022.

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/s/ Anne E. Callenbach
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