

**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, LLC and ITC Midsouth LLC for Approval of) **File No. EO-2013-0396**
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) **File 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)

EMPIRE'S STATEMENT OF POSITION

COMES NOW The Empire District Electric Company (Empire), and, as its Statement of Position, states as follows to the Missouri Public Service Commission (Commission):

1. As an initial matter, Empire's witness Bary Warren will only be available on June 18, 2013, due to travel requirements associated with Southwest Power Pool meetings.

Accordingly, Empire requests that, if possible, Mr. Warren be allowed to take the stand on the afternoon of June 18, 2013.

2. Empire will respond to the List of Issues provided by Kansas City Power & Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO"), Empire and the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") in the order they appear in that document.

I. Issues in Case No. EO-2013-0396

A. Have the Joint Applicants in Case No. EO-2013-0396¹ met their burden to provide sufficient information to the Commission so that the Commission may make

¹ Joint Applicants are Entergy Arkansas, Inc. ("EAI"), Mid South TransCo LLC ("Mid South"), Transmission Company Arkansas, LLC ("TC Arkansas") and ITC Midsouth LLC ("ITC Midsouth").

a determination regarding whether the transfer of EAI's Missouri transmission assets and its certificate of convenience and necessity is not detrimental to the public interest?

EMPIRE POSITION: No.

B. Have the Joint Applicants in Case No. EO-2013-0396 demonstrated that there is no net detriment to Missouri customers that may result from the contemplated merger?

EMPIRE POSITION: No. Empire's testimony shows that greater costs to Missouri customers should be expected as a result of the contemplated transaction.

C. Have the Joint Applicants in Case No. EO-2013-0396 documented and supported the increase in transmission rates that is likely to occur as a result of the merger?

EMPIRE POSITION: No.

D. Have the Joint applicants demonstrated any incremental benefit to Missouri customers that will offset the projected increases in transmission rates caused by the increased ROE and higher equity component in capital structure associated with the transfer of its Missouri transmission assets to ITC?

EMPIRE POSITION: No.

E. Have the Joint Applicants adequately addressed the issues of safety and reliability that may arise as a result of the proposed transaction?

EMPIRE POSITION: No. At a minimum, the Commission should require as a condition to any approval of the transaction that ITC and EAI be required to negotiate a new Interconnection Agreement with Empire to ensure that responsibilities for Empire's critical interconnection with EAI are clearly addressed prior to any closing of this transaction.

II. Issues in Case No. EO-2013-0431

A. Has EAI met its burden to provide sufficient information to the Commission so that the Commission may make a determination regarding whether the transfer of functional control of EAI's Missouri transmission assets to Midwest Independent System Operator Inc. (MISO) is not detrimental to the public interest?

EMPIRE POSITION: No.

B. Has EAI documented and supported the increase in transmission rates that is likely to occur as a result of the transfer of functional control to MISO?

EMPIRE POSITION: No.

C. Has EAI adequately addressed the issues of safety and reliability that may arise as a result of the proposed transaction?

EMPIRE POSITION: No.

D. Has EAI demonstrated that there will be no net detriment to Missouri transmission operations and the power market seam in Missouri as a result of the proposed transaction?

EMPIRE POSITION: No.

E. Has EAI demonstrated any incremental benefit to Missouri customers that will offset the projected increases in transmission rates caused by the application of Through and Out rates as a result of transmission service moving to the MISO Tariff?

EMPIRE POSITION: No.

F. Has EAI demonstrated a net benefit to Missouri customers that will offset the rate impacts to such customers as a result of the decrease in KCP&L's off-system sales margin?

EMPIRE POSITION: No.

G. Has EAI demonstrated that KCP&L, GMO, Empire and MJMEUC will be held harmless with respect to cost compensation due to EAI's voluntary choice to place its transmission assets under MISO?

EMPIRE POSITION: No.

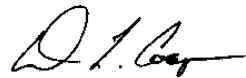
H. Are there conditions that the Commission could impose on this transfer that would allow for a finding that the transfer of functional control is not detrimental to the public interest?

EMPIRE POSITION: Yes. Any Commission approval of this transfer should be conditioned upon the following:

- The negotiation of an approved Joint Operating Agreement between the Southwest Power Pool (SPP) and MISO addressing, at a minimum, the loop flow issues related to the Missouri seam between SPP and MISO.
- require EAI and/or MISO to “hold harmless” non MISO Missouri retail consumers from all increased costs due to Entergy’s potential transfer of functional control to MISO.
- Staff should investigate this matter and report to the Commission its position on the issues/concerns raised by Empire, KCPL and GMO.

WHEREFORE, Empire prays that the Commission consider this Statement of Position and, thereafter, issue such orders as it shall find to be just and reasonable.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on June 12, 2013, to the following:

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