

**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 Transfer of Assets) **File No. EO-2013-0396**
and Certificate of Convenience and Necessity, and Merger and,)
in connection therewith, Certain Other Related Transactions)

**EMPIRE’S REPLY TO EAI’S
RESPONSE IN OPPOSITION TO APPLICATIONS TO INTERVENE**

COMES NOW The Empire District Electric Company (Empire), and, in response to the Entergy Arkansas, Inc., Mid South Transco LLC, and Transmission Company Arkansas, LLC’s Response in Opposition to Applications to Intervene and Motion to Limit the Scope of the Proceeding, states as follows to the Missouri Public Service Commission (Commission):

BACKGROUND

1. On February 25, 2013, Empire filed its Application to Intervene in this matter. On March 7, 2013, Entergy Arkansas, Inc., Mid South Transco LLC, and Transmission Company Arkansas, LLC (EAI) filed their Response in Opposition to Applications to Intervene and Motion to Limit the Scope of the Proceeding (EAI Response).

REPLY

2. Empire previously filed its response to the Commission’s Order Directing Response from All Applicants to Intervene on March 11, 2013, therein making more definite Empire’s Application to Intervene. Empire hereby incorporates by reference its March 11 filing in regard to the EAI Response. Empire’s pleading explains that its interests in this matter go beyond the subjects addressed by EAI’s Response and, in fact, relate directly to issues associated with Empire’s ability to provide safe and adequate service in the State of Missouri.

3. EAI alleges that “Empire’s transmission service from Plum Point is delivered to the Empire balancing area within SPP, and KCP&L’s (GMO) transmission service from Crossroads is delivered to the Central Southwest (“CSW”) balancing area within SPP – neither interconnection point is in Missouri” (EAI Response, para. 11). This statement is incorrect. As was described in Empire’s March 11, 2013 pleading:

Empire has a critical 161kV bulk electric system interconnection with EAI at Empire’s Powersite Substation located near the Ozark Beach Hydro Plant near Forsyth, Missouri. Empire currently has Interconnection Agreements between itself, Arkansas Power and Light (now Entergy Arkansas, Inc.), Plum Point Energy Partners and Entergy Services. Empire is a network integration transmission service member of the SPP RTO and a firm point to point transmission service customer of EAI, with an ownership and purchase power share of the Plum Point coal fired power station, located near Osceola, Arkansas. Such delivery of the Plum Point capacity and energy relies directly on the service availability of this 161kV interconnection that is one of the facilities subject to this Application (Joint App., App. 4). The maintenance and operation of this interconnection along with the overall EAI transfer of all of its transmission assets to ITC will directly affect the cost of power delivery to Empire’s retail customers. Specifically, this described interconnection is required to be “in service” for the delivery of Plum Point Power Station capacity and energy to Empire and the Southwest Power Pool (SPP).

5. Thus, Empire has a very important physical interconnect with EAI in Missouri that delivers capacity and energy to Empire’s Missouri wholesale and retail consumers from the EAI transmission system that includes the facilities that are the subject of this Application.

6. The EAI Response appears to ask for a favorable summary determination from the Commission in regard to this case, rather than merely a ruling on the intervention requests. EAI states, in part, that:

EAI Applicants oppose any attempt by a party seeking intervention in this matter to expand the scope of this proceeding to include FERC-jurisdictional matters or matters pertaining to facilities issues in other states which are beyond this Commission’s jurisdiction and which are clearly outside the four corners of the Joint Application. Accordingly, the EAI Applicants oppose both the Empire Application and the KCP&L/GMO Application to intervene in this matter.

7. Empire has identified a very real Missouri connection with the assets that are the subject of the proposed transaction. Ultimately, the proposed transaction may be deemed to not be detrimental to the public interest, and the issues described by EAI may or may not be raised for this Commission's consideration. However, these questions need not be addressed at this stage of the proceeding. After the parties have had the opportunity to review the transaction in a more detailed manner and to present to the Commission recommendations, stipulations or testimony, as the case may be, the Commission will then be in a position to consider the approval EAI seeks. The Commission should grant Empire permission to intervene in this matter, so that the Commission has the opportunity to consider whatever that aspect of the transaction.

RESPONSE TO MOTION TO LIMIT SCOPE

8. In addition to responding to the Empire and KCPL applications to intervene, EAI also styled a part of its pleading as "Motion to Limit the Scope of the Proceeding." That portion of the pleading suggests that "through their participation in other APSC and FERC matters, Empire and KCP&L should be aware that EAI plans to integrate into MISO regardless of whether ITC owns the transmission assets or EAI continues to own them" (EAI Response, para. 14).

9. After describing various matters, EAI suggests as follows:

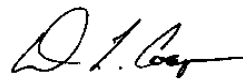
Such FERC jurisdictional matters are clearly beyond the scope of this limited transfer proceeding in Missouri, as are matters pertaining to Empire's Arkansas Plum Point MISO cost concerns which already were heard by the Arkansas Commission. It is inappropriate to facilitate delay and increase the expense to the parties by allowing the attempted interjection of such issues; likewise, allowing interjection of such issues further risks inconsistent results with the decisions of the agencies having proper jurisdiction to hear such matters. Thus, the EAI Applicants respectfully request that the Commission expressly limit the scope of this proceeding by affirming that the Commission will not address issues relating to EAI's integration into MISO, which are the subject of multiple proceedings before the FERC or were already fully addressed by the APSC.

10. Again, it appears that EAI wants a substantive ruling on issues without the Commission having the opportunity to review if or how these issues may arise within the context of this case. Certainly, the Commission must be mindful of its statutory limitations in any order it may ultimately issue. However, that is a different matter than relevance for purposes of presentation of evidence and how evidence may relate to issues to be considered by the Commission. This is also a different forum than the Arkansas Public Service Commission and the Federal Energy Regulatory Commission. The Missouri Commission has a different place in the regulatory framework from those bodies and need not cede its duties to them.

11. The Commission should deny EAI's motion to limit scope as not being ripe for consideration. In the alternative, the Commission should take the motion with the case so that any consideration of this issue would happen in the future when there is some context as to how the facts and issues may or may not arise and whether they are appropriate for consideration in this case.

WHEREFORE, Empire prays that the Commission issue its order granting Empire permission to intervene in the above-captioned matters.

Respectfully submitted,



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ELECTRIC COMPANY

CERTIFICATE OF SERVICE

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