

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

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|---------------------------------------|-----------------------|
| In the Matter of the Application of) | |
| Aquila, Inc. d/b/a Aquila) | |
| Networks - MPS and Aquila) | |
| Networks - L&P's for Authority to) | Case No. EO-2008-0046 |
| Transfer Operational Control of) | |
| Certain Transmission Assets) | |
| to Join the Midwest Independent) | |
| Transmission System Operator, Inc.) | |

**APPLICATION OF
SOUTHWEST POWER POOL, INC.
TO INTERVENE**

COMES NOW Southwest Power Pool, Inc. ("SPP") by and through its counsel pursuant to 4 CSR 240-2.075, submitting this its Application to intervene in the above entitled matter, and in support thereof, states as follows:

The Applicant

1. SPP is a not-for-profit corporation, organized and existing under the laws of the State of Arkansas with its principal place of business at 415 North McKinley, Suite 140, in Little Rock, Arkansas, 72205-3020.

2. SPP came into existence in 1941 when 11 companies joined together voluntarily to serve critical national defense needs during World War II. When the war ended in 1945, SPP's Executive Committee retained the organization to further the benefits of coordinated operation of their electric systems. As a result of the Northeast power interruption in late 1965, a number of reliability councils were organized, and in 1968 SPP joined with 12 other entities to form the National Electric Reliability Council, now known as the North American Electric Reliability Corporation ("NERC"). SPP

incorporated as a not-for-profit corporation in 1994. A copy of SPP's Articles of Incorporation is attached as Appendix A to this Application.

3. Currently, SPP's members serve more than 4.5 million customers in a 255,000 square mile area covering all or parts of the States of Arkansas, Missouri, Kansas, Oklahoma, Louisiana, Mississippi, New Mexico and Texas. SPP's members include investor-owned utilities, municipal systems, generation and transmission cooperatives, state authorities, independent power producers, power marketers, a contract participant, and independent transmission companies. A list of all SPP's members is attached as Appendix B to this Application.

4. Since 1998, SPP has administered open-access transmission services across the SPP region under the terms of SPP's open-access transmission tariff ("SPP tariff"), which was filed with and approved by the Federal Energy Regulatory Commission ("FERC"). The transmission facilities used to provide service under the SPP tariff are comprised of the transmission facilities owned by a number of public utility and non-public utility members of SPP currently committed to the SPP tariff.

5. On October 15, 2003, SPP submitted an application pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 8244, and Section 35.34 of the FERC's regulations, seeking to establish that SPP fulfilled the requirements of a Regional Transmission Organization ("RTO").¹ In orders issued in October 2004,² FERC granted SPP RTO status subject to the fulfillment of certain limited requirements.

¹ See *Regional Transmission Organizations Order No. 2000*, III FERC Stats & Regs., Regs. Preambles ¶ 31,089 (1999), order on reh'g, *Order No. 2000-A*, III FERC Stats. & Regs., Regs. Preambles ¶ 31,092 (2000). In Order No. 2000, FERC strongly encouraged all public utilities that own, operate or control interstate transmission facilities to participate in a Regional Transmission Organization.

6. Pleadings, notices and orders and other communications in this matter should be addressed to the following:

David C. Linton
David C. Linton, L.L.C.
424 Summer Top Lane
Fenton, Missouri 63026
Telephone: (636) 349-9028
Facsimile: (636) 349-9028
Email: djlinton@charter.net

and

Heather Starnes
Regulatory Attorney
Southwest Power Pool, Inc.
415 North McKinley, Suite 140
Little Rock, AR 72205
Telephone: (501) 614-3380
Facsimile: (501) 664-9553
Email: hstarnes@spp.org

Aquila's Application

7. On August 20, 2007, Aquila filed an application to obtain approval of the Missouri Public Service Commission ("Commission") to transfer operational control of certain transmission system assets to the Midwest ISO ("MISO").

SPP's Interest

8. Aquila (f/k/a Utilicorp) was one of the original transmission-owning members of SPP.³ Aquila has been and continues to be a member of SPP but has not transferred operational control of its transmission assets to an RTO.

² *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,009 (2004) and *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,008 (2004).

³ Aquila transferred security coordination responsibilities from SPP to MISO on December 15, 2001, as explained in Aquila's Application.

9. In 2004, the SPP Regional State Committee (“RSC”)⁴ retained CRA International, formerly Charles Rivers Associates (“CRA”) to perform a Cost-Benefit Analysis to (1) analyze the probable costs and benefits that accrue from the consolidation and utilization of the services and functions provided by SPP and (2) the costs and benefits of SPP’s implementation of an Energy Imbalance Services market. The *Cost Benefit Analysis Performed for the SPP Regional State Committee Final Report*, hereinafter referred to as “Study” or “Report,” was released on April 25, 2005 and presented to the Regional State Committee and the SPP Board of Directors. The Study was subsequently revised on July 27, 2005 to accommodate revised fuel prices. As part of that Study, CRA conducted an Aquila Sensitivity Case simulation. The Case simulation showed net benefits accruing to Aquila from its transferring operational control of its transmission assets to SPP.

10. In response to the applications of Empire District Electric Company (“EDE”) and Kansas City Power & Light Company (“KCPL”) for authority to transfer functional control of certain transmission assets, on July 13, 2006, the Commission issued two orders entitled *Amended Order Approving Stipulation and Agreement* in Case Nos. EO-2006-0141 and EO-2006-0142, granting EDE’s and KCPL’s Applications pursuant to the terms of two separate Stipulation and Agreements filed in those dockets. SPP is not a gas corporation, electrical corporation, water corporation or sewer corporation under § 393.190 RSMO. 2000, but was an active participant in those dockets and a signatory to the Stipulation and Agreements.

⁴ The SPP RTO Bylaws provide for the creation of a Regional State Committee to be comprised of one designated commissioner from each State regulatory commission having jurisdiction over an SPP member. The RSC was formed April 26, 2004, and the Missouri Public Service Commission, through its designated representative, is a member.

11. SPP has a significant and unique interest in this matter. Its interest is different from that of the general public and will be affected by the Commission's determination in this matter. As this Application to Intervene demonstrates, SPP is a viable and significant alternative RTO to MISO for Aquila.

12. The intervention of SPP in this proceeding is in the public interest because the Commission will have the opportunity to receive SPP's unique input and perspective with regard to RTO formation and processes. This Commission will also have the opportunity to receive input on the relative net benefits of Aquila's membership in SPP versus membership in MISO.

13. Pursuant to 4 CSR 240-2.075(2), SPP states that it currently neither supports nor opposes Aquila's Application. However, SPP's position is informed not only by the RSC's Aquila Sensitivity Case simulation that shows net benefits accruing to Aquila from its transferring operational control of its transmission assets to SPP, but also by the more recent study conducted on behalf of Aquila by CRA, which concludes that the net benefits of Aquila's RTO membership over the 2008 – 2017 time period were over \$21 million for MISO and over \$86 million for SPP. Therefore, SPP reserves the right to change its position regarding Aquila's Application as this docket proceeds and more evidence is presented.

Wherefore, for the foregoing reasons, SPP respectfully requests permission to intervene as a party in the above-entitled matter.

Respectfully submitted,



David C. Linton MoBar #32198
David C. Linton, L.L.C.
424 Summer Top Lane
Fenton, Missouri 63026
(636) 349-9028
djlinton@charter.net

Heather H. Starnes MoBar #52608
 ARBar #94113
415 North McKinley, Suite 140
Little Rock, Arkansas 72205-3020

Attorneys for
Southwest Power Pool, Inc.

CERTIFICATE OF SERVICE

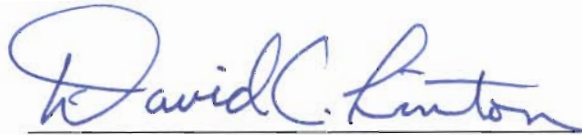
I hereby certify that a copy of the above and foregoing Application of Southwest Power Pool, Inc. to Intervene was e-mailed and provided in hard copy by US Mail, postage prepaid, on this 10th day of September, 2007, to the following:

Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102-0360
kevin.thompson@psc.mo.gov

Office of Public Counsel
Governor Office Building
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102-2230
lewis.mills@ded.mo.gov
OPCservice@ded.mo.gov

Paul A. Boudreau
Brydon, Swearengen & England, PC
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
paulb@brydonlaw.com

Gary Clemens, Director of Regulatory
Services
Aquila, Inc.
20 West Ninth Street
Kansas City, MO 64105
gary.clemens@aquila.com

A handwritten signature in blue ink that reads "David C. Linton". The signature is written in a cursive style with a horizontal line underneath the name.