

Exhibit No.:  
Issues: Integration of GridAmerica  
Witness: Roger Harszy  
Sponsoring Party: Union Electric Company  
Type of Exhibit: Direct Testimony  
Case No.: EO-2003-0271  
Date Testimony Prepared: March 10, 2003

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. EO-2003-0271**

**DIRECT TESTIMONY**

**OF**

**ROGER HARSZY**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a AmerenUE**

**Carmel, Indiana  
March 10, 2003**

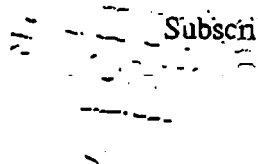
STATE OF INDIANA       )  
                                      )  
COUNTY OF HAMILTON   )


SS:

**AFFIDAVIT**

I, Roger Harszy, being first duly sworn, state that the foregoing Testimony was prepared by me or under my direction. I have reviewed the foregoing Testimony and it is true to the best of my knowledge, information and belief.

  
Roger Harszy

 Subscribed and sworn to before me this 10th day of March, 2003.

  
Dorothy M. Shute  
Notary Public, State of Indiana  
My County of Residence: Hendricks  
My Commission Expires: May 8, 2009

1 **DIRECT TESTIMONY**

2 **OF**

3 **ROGER HARSZY**

4 **CASE NO. EO-2003-0271**

5 **Q. Please state your name and business address.**

6 A. My name is Roger Harszy. My business address is 701 City Center Drive,  
7 Carmel, Indiana 46032.

8 **Q. Please describe your educational background and industry experience.**

9 A. I hold a bachelor of science degree in electrical engineering from the  
10 University of Illinois. My industry experience includes over 20 years in all aspects of  
11 electric system operations. This includes the dispatch of generation, operation of a high  
12 voltage transmission system and implementation of an Open Access Transmission Tariff.

13 **Q. By whom are you employed and in what capacity?**

14 A. I am currently employed by the Midwest Independent Transmission System  
15 Operator, Inc. ("MISO") as Director of Area Operations.

16 **Q. What are your responsibilities in that position?**

17 A. I am responsible for the operation of the Reliability Authority functions in  
18 both Carmel, Indiana and St. Paul, Minnesota. I am also Administrative Director for the  
19 MISO center in St. Paul.

20 **Q. How long have you been employed by the Midwest ISO?**

21 A. I have been employed by MISO since June 2000.

22 **Q. On whose behalf are you submitting this testimony?**

23 A. I am testifying on behalf of Union Electric Company d/b/a AmerenUE.

1           **Q.     What is the purpose of your Direct Testimony in this proceeding?**

2           A.     The purpose of my testimony is to express the views of the Midwest ISO with  
3 regard to the benefits of GridAmerica's contractual relationship with the Midwest ISO  
4 generally, and AmerenUE's participation in the Midwest ISO via GridAmerica in particular.

5           **Q.     Does the Midwest ISO support AmerenUE's participation in the Midwest**  
6 **ISO through its relationship with GridAmerica?**

7           A.     Yes.

8           **Q.     Why?**

9           A.     The addition of Ameren's transmission system to the Midwest ISO will allow  
10 the Midwest ISO to function as a single, electrically contiguous, regional transmission  
11 provider. By having one, large, electrically contiguous RTO functionally controlling the  
12 transmission systems in the Midwest, the Midwest ISO will be able to offer non-  
13 discriminatory transmission service under a single transmission service tariff, the Midwest  
14 ISO open access transmission tariff ("OATT"), under a larger footprint and wider area  
15 purview which will provide enhanced reliability and efficiency throughout the entire  
16 Midwest region. This will promote a one-stop shopping environment for transmission  
17 customers and facilitate the development of a more robust electric energy market that will  
18 benefit all users of the transmission system.

19           **Q.     Do you envision AmerenUE's participation in the Midwest ISO through**  
20 **GridAmerica causing any operational or coordination difficulties?**

21           A.     No, I do not. The Midwest ISO and GridAmerica, in accordance with orders  
22 issued by the Federal Energy Regulatory Commission ("FERC"), have already established a  
23 framework for allocating the various functions and responsibilities between the Midwest ISO

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1 and GridAmerica. The proposed delineation of functions and responsibilities set forth in the  
2 agreement between the Midwest ISO and GridAmerica permits the Midwest ISO to retain  
3 ultimate control and authority over key operational aspects of the entire transmission system  
4 within the Midwest ISO. In fact, many of GridAmerica's activities are being performed by  
5 GridAmerica as a contractor for the Midwest ISO.

6 **Q. Would the Midwest ISO have preferred that AmerenUE and the other**  
7 **GridAmerica Companies joined the Midwest ISO directly rather than through the**  
8 **GridAmerica ITC?**

9 A. No, the Midwest ISO has no preference regarding this issue. In fact, the  
10 Midwest ISO has prided itself upon the openness and flexibility of its participation  
11 architecture. One of the benefits that has made the Midwest ISO so successful in growing  
12 the size of its organization is its openness to different forms of participation. In this regard,  
13 MISO adopted Appendix I to the Midwest ISO Transmission Owners Agreement which  
14 provides for the development and operation of Independent Transmission Companies within  
15 the Midwest ISO. This appendix was approved by FERC on February 24, 2000. Thus, the  
16 presence of the GridAmerica ITC within the Midwest ISO is a form of participation that the  
17 Midwest ISO welcomes. In fact, the Midwest ISO is already accommodating the  
18 participation of other ITC's under the Midwest ISO tariff. These include International  
19 Transmission Co. (formerly the transmission assets of Detroit Edison Co.) and TRANSLink  
20 Transmission Co., LLC (which includes transmission assets of, among others, Xcel Energy,  
21 Alliant Energy, MidAmerican Energy, Nebraska Public Power Dist. and Corn Belt Power  
22 Cooperative).

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1           **Q.     Will the Midwest ISO benefit from the presence of the GridAmerica ITC**  
2 **operating within the Midwest ISO?**

3           A.     Yes.   The operation and use of the transmission system under the functional  
4 control of the Midwest ISO continues to undergo significant changes. The transaction  
5 volumes conducted over the transmission grid continue to occur at unprecedented levels.  
6 Furthermore, we anticipate even more changes will occur as the energy markets continue to  
7 mature throughout the country. The proper maturation and success of the energy markets  
8 will be in large part dependent on the prudent real-time operation of the transmission grid  
9 and expansion of the existing transmission infrastructure; however, the expansion of the  
10 transmission system can be extremely difficult.

11           GridAmerica, through its parent company National Grid, has already experienced  
12 some of the growing pains that the development of a highly competitive energy market  
13 imposes on the transmission system through its operations in European markets. The  
14 Midwest ISO intends to leverage the experience gained by GridAmerica to enhance the  
15 efficient operations of the Midwest ISO transmission grid.

16           **Q.     Is it important to the Midwest ISO that the Commission approve**  
17 **AmerenUE's participation in the Midwest ISO through a contractual relationship with**  
18 **GridAmerica expeditiously?**

19           A.     Yes.   As mentioned earlier, AmerenUE's transmission system is critical to the  
20 effective operations of the Midwest ISO since it connects the current non-contiguous systems  
21 operating under the Midwest ISO. Delays in the integration of AmerenUE's transmission  
22 system in part, or the transmission systems of the other GridAmerica companies as a whole

1 into the Midwest ISO operations will result in preventing the entire Midwest region from  
2 enjoying the full and complete benefits of RTO operation.

3 **Q. Does this conclude your Direct Testimony?**

4 **A.** Yes, it does.