

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

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)
Transmission System Operator, Inc. Regional)
Transmission System Organization or)
Alternative Request to Change Functional)
Control and Motions for Waiver and Expedited)
Treatment)

File No. EO-2013-0431

EAI'S POSITION STATEMENT

COMES NOW Entergy Arkansas, Inc. ("EAI") and for its Position Statement submits as follows in response to the issues it filed in this proceeding on June 10, 2013:

I. DOES THE COMMISSION HAVE JURISDICTION OVER THESE MATTERS?

The unique facts of this case demonstrate that this matter does not require Commission approval under the statutory criteria. Any jurisdiction over these matters by the Missouri Public Service Commission ("Commission") would arise under 393.190.1 RSMo, which provides in part that it does not prevent the "sale, assignment, lease or other disposition by any corporation, person or public utility of a class designated in this subsection of property which is not necessary or useful in the performance of its duties to the public..."

Merely owning, operating, controlling, and managing electric plant is insufficient under the statute to attach the Commission's regulatory jurisdiction to persons and their property, and the electric plant must be devoted to a public use before it is subject to public regulation. This condition is not met on the facts of this case. It is undisputed

that EAI has no retail customers in Missouri, that EAI does not maintain a tariff in Missouri offering retail service to the general public in Missouri, and that there are no implications of bundled retail service present in EAI's case. No party to this proceeding contends that EAI holds itself out as providing service to the general public of retail customers in Missouri. Instead, the limited property at issue, which is fewer than 100 miles of transmission line, is used exclusively to provide interstate transmission service subject to the regulatory authority of the Federal Energy Regulatory Commission ("FERC").

Kansas City Power & Light and KCP&L Greater Missouri Operations Company (collectively, "KCPL"), The Empire District Electric Company ("Empire"), and the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") (collectively, the "Intervenors") conflate the statutory criteria with some duty that the Intervenors imply EAI may owe to the Intervenors' retail customers by virtue of EAI's provision of only interstate wholesale transmission service in Missouri. There is no legal or factual basis on which to conclude that EAI has undertaken any such duty with respect to the Intervenors' retail customers or that Intervenors' retail customers constitute the "general public in Missouri" within the meaning of the statute.

None of the allegations made by the Intervenors addresses how the Commission has jurisdiction over these matters under 393.190.1 RSMo. The Intervenors assert wholesale rate effects that they admit arise only under federal tariffs that are under the exclusive jurisdiction of the FERC. They also fail to specify how any of the alleged rate effects relate directly to the limited Missouri facilities at issue in this case and not to

property outside of Missouri and beyond this Commission's jurisdiction. There are no facts alleged in this case that demonstrate that EAI's limited transmission facilities in Missouri are useful or necessary in the performance of any duty EAI has undertaken to serve the general public in Missouri on an intrastate basis.

The form of the integration also does not meet the statutory criteria. Section 393.190.1 RSMo requires a showing that the applicable transaction is a sale, assignment, lease, transfer, mortgage or other such disposition or encumbrance of the "whole or any part of [the corporation's] franchise, works or system, necessary or useful in the performance of [the corporation's] duties to the public." EAI's integration of its Missouri assets into the Midcontinent Independent System Operator, Inc. ("MISO") regional transmission organization ("RTO") does not fall within the types of transactions listed in the statute, and no facts support that the integration of EAI's transmission assets into MISO involves any such asset disposition. The Commission's prior cases regarding matters involving the proposed integration into RTOs were initiated by electric corporations that provide Missouri-jurisdictional service to their Missouri retail customers, and none of those cases is apposite on the facts or the law in this file.

There is no factual or legal basis to support that Commission approval of this matter is required under Section 393.190.1 RSMo. The Intervenor's various allegations pertain to FERC matters, and the fundamental facts, which are not in dispute, show that the Commission lacks jurisdiction over the unique matters presented in this case.

II. SHOULD THE COMMISSION FIND AND CONCLUDE THAT THE PROPOSED MISO INTEGRATION IS NOT DETRIMENTAL TO THE PUBLIC INTEREST IN MISSOURI?

EAI has demonstrated through the testimony of Richard Riley that the integration of its limited Missouri transmission facilities into MISO presents no detriment to the public interest in Missouri. This file addresses only interstate transmission customers who currently take service under FERC tariffs and will continue to do so when EAI integrates its Missouri transmission facilities into the MISO RTO and provides such service under a new, FERC-approved regulatory regime. Intervenor's claims of harm are not related to any action by the Commission in this file but to actions related to the approval by other Entergy Operating Company retail regulators that have authorized the Entergy Operating Companies to integrate their transmission facilities with MISO.

Empire and MJMEUC allege that if EAI joins MISO, Empire's transmission costs from the Plum Point Generating Station (a coal-fired plant located in Arkansas interconnected with the Entergy Transmission System) will increase and that Thayer, Missouri, a MJMEUC member, will need to participate in the MISO market.¹ Empire's claims regarding transmission costs arise as a result of EAI's transmission facilities in Arkansas – not Missouri – being integrated into MISO. KCPL makes similar transmission cost allegations with respect to its Crossroads facilities in Mississippi that also are interconnected with the Entergy Transmission System; these arise as a result of non-EAI facilities outside of Missouri integrating into MISO. The Intervenor's

¹ MJMEUC did not file testimony supporting its allegations in this matter.

voluntary selection of an RTO for themselves is their responsibility or that of their members, and any retail rate effects that they allege in this case as to their retail customers, are separate matters for any future rate case they bring before the Commission.

Intervenors' claims that the Commission should require EAI to "hold them harmless" with respect to decisions that ultimately result from their voluntary selection of RTOs is not a criterion under Section 393.190 RSMo, which directs the Commission to evaluate the public interest, not the private rights of the individual Intervenors. Their claims arise under FERC-approved rates and tariffs. FERC's approval of such interstate tariffs and the rates thereunder as just and reasonable provides no basis for any finding by this Commission as to the Intervenors' demands that they be "held harmless" with respect to FERC-approved rates.

The Intervenors' allegations as to seams congestion and loop flow concerns are speculative and do not establish that there are relevant facts in dispute that pertain to the necessary statutory criteria set forth in Section 393.190.1 RSMo. Seams congestion and loop flow issues pertaining to EAI's provision of wholesale interstate transmission service are the subject of exclusive FERC jurisdiction and will remain so after EAI's integration into MISO.

Intervenors fail to explain any impact that the integration of EAI's Missouri property, the only property at issue here, into an RTO -- separate from EAI's other transmission assets located in Arkansas -- has on the Intervenors or any impact of such transfer that would affect the public interest in Missouri. The Arkansas Public Service

Commission and the retail regulators of the other Entergy Operating Companies have approved, subject to conditions, the integration of the respective Operating Company's transmission facilities into MISO. In addition, FERC has exclusive jurisdiction over all wholesale tariffs and agreements associated with integration into MISO. EAI respectfully suggests that this Commission cannot, as the Intervenors appear to advocate, undo or condition the regulatory approvals, orders, or jurisdiction of the FERC or the Operating Companies' retail regulators.

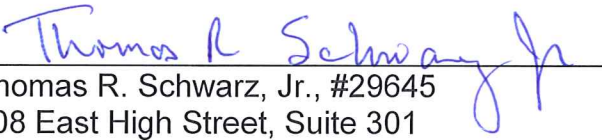
In the alternative and only to the extent the Commission believes it is pertinent to this case, the filed testimony of both KCPL and Empire implicitly acknowledges that there may be benefits to retail customers in Missouri of MISO-member load serving entities in Missouri such as Ameren. KCPL references Ameren's retail customers, while Empire qualifies its allegations of harm as relating to "non-MISO" Missouri retail customers. Such benefits contradict claims that EAI's MISO integration is detrimental to the public interest in Missouri.

EAI has demonstrated that the integration into MISO of EAI's limited property in Missouri is not detrimental to the public interest in Missouri.

Respectfully submitted,

BLITZ, BARDGETT & DEUTSCH, L.C.

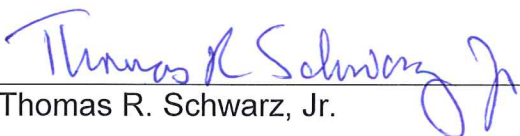
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CERTIFICATE OF SERVICE

The undersigned does hereby certify that a copy of the above and foregoing has been served upon counsel of record by forwarding the same by electronic mail and/or first class mail, postage prepaid, this 12th day of June, 2013.


Thomas R. Schwarz, Jr.