

**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,) Case No. EO-2013-0396
LLC and ITC Midsouth LLC for Approval of Transfer of Assets)
and Certificate of Convenience and Necessity, and Merger and,)
in connection therewith, Certain Other Related Transactions.)

JOINTLY PROPOSED PROCEDURAL SCHEDULE

COME NOW, Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively, the “Companies”), The Empire District Electric Company (“Empire”), and the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) (altogether, the “Parties”) and file this *Jointly Proposed Procedural Schedule*.

1. On February 14, 2013, Entergy Arkansas, Inc. (“EAI”), Mid South TransCo LLC (“Mid South TransCo”), Transmission Company Arkansas, LLC (“TC Arkansas”) and ITC Midsouth LLC (“ITC Midsouth”) (collectively, “Joint Applicants”) filed a Joint Application requesting Commission approval in May 2013 for the transfer of EAI’s Missouri transmission assets to a subsidiary of ITC Holdings Corp.

2. On March 18, 2013, Staff filed a Status Report indicating that Staff had not identified any issue it believes would require a procedural schedule. Subsequently, on March 27, 2013, the Commission permitted the interventions of KCP&L, GMO, Empire, and the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”).

3. On April 2, 2013, the Commission issued an Order Directing Filing, in which it directed the parties to state how they would like to proceed. The Commission noted that the parties may do so by filing a joint proposed procedural schedule, competing proposed procedural schedules, dispositive motions, any combination thereof, or any other pleadings or motions.

4. The Parties believe that the issues presented in this matter, and the potential detriment to the Parties' interests, warrant the establishment of a procedural schedule. Empire has stated in previously filed pleadings in this matter that it has a critical 161 kV bulk electric system interconnection with EAI at Empire's Powersite Substation located near the Ozark Beach Hydro Plant near Forsyth, Missouri. This interconnection delivers capacity and energy to Empire's Missouri wholesale and retail consumers from the EAI transmission system. Empire thus has a direct and specific interest in the proposed EAI system changes that may impact Empire's operations and ability to deliver generating capacity and energy to Empire's customers, or that will impact the assignment of existing contracts and the associated costs of such delivery. Similarly, Empire has noted its interest in the condition of the facilities proposed to be transferred, the plans for maintenance and reliability of those facilities, and the costs to be paid for transmission services.¹

5. In addition, the Companies previously filed pleadings in this matter stating that several of the known Missouri facilities that EAI proposes to transfer to ITC Midsouth LLC are used in providing transmission service from the Crossroads Energy Center ("Crossroads") (which is physically located in Entergy's service territory) to GMO service territory. This transmission service for Crossroads uses the Entergy to SPP interconnections at the Omaha switching station at Ozark Beach. The Companies anticipate that, as a result of the transfer of assets sought in this docket, GMO's firm transmission fees for Crossroads delivery will increase significantly due solely to the application of MISO's Schedule 7 Through and Out transmission service.² The Parties, however, do not know at this time the full impacts of the changes in rates

¹ March 11, 2013 Empire's Response to Order Directing Response at paras. 7-9.

² March 18, 2013 Response of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company to 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 at para. 4.

that will result from placing EAI's transmission facilities under MISO's tariff, as contemplated in its proposed merger with ITC.

6. MJMEUC also owns part of the Plum Point generator, and delivers power from that generator directly into the city of Thayer and onto the transmission system of Associated Electric, which is interconnected at Thayer. ITC's capital structure is different than Entergy Arkansas's capital structure. ITC's capital structure allegedly contains significantly more equity than Entergy Arkansas, apparently the result of "double leverage" whereby ITC's holding company parent holds some of the debt of the affiliate so that equity in the affiliate can be artificially increased. Regardless of which open access transmission tariff is applied, such a change in capital structure from Entergy Arkansas to ITC will most likely result in increased transmission costs for MJMEUC, with no corresponding increase in service or reliability.

7. Thus additional information is needed by the Parties to fully evaluate the impacts on their Missouri customers.

8. The Commission has noted that the issues raised by the intervenors must be evaluated to determine whether the proposed transfer of assets is not detrimental to the public interest, and whether the request for a certificate of convenience and necessity is in the public interest.³ In order to adequately identify all issues associated with the proposed transfer of assets and to comprehensively analyze the potential impacts of such transfer, Empire and the Companies believe that discovery, testimony, evidentiary hearings, and post-hearing briefs would aid the Commission in its evaluation of whether the proposed transfer of assets is detrimental to the public interest. Accordingly, the Parties propose the following procedural schedule:

³ March 27, 2013, *Order Granting Applications to Intervene and Denying Motions to Limit the Scope of the Proceedings* at pp. 1-2.

Joint Applicant Initial Testimony	May 10, 2013
Staff and Intervenor Rebuttal Testimony	June 7, 2013
Surrebuttal Testimony	June 28, 2013
Last Day to Serve Discovery Requests	July 5, 2013
Settlement Conference (Conference Call)	July 10, 2013
List of Issues, Order of Witnesses, etc.	July 17, 2013
Statement of Positions	July 19, 2013
Evidentiary Hearings	July 24-25, 2013
Initial Briefs of All Parties	August 9, 2013
Reply Briefs of All Parties	August 23, 2013

WHEREFORE, the Parties file the instant *Jointly Proposed Procedural Schedule* for the Commission's consideration.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the above and foregoing document has been hand-delivered, emailed or mailed, First Class, postage prepaid, to all counsel of record in this case this 8th day of April, 2013.

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