

Exhibit No.: 21
Issues: Fuel Adjustment Clause, Resource
Adequacy
Witness: Aaron J. Doll
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2019-0374
Date Testimony Prepared: March 2020

**Before the Public Service Commission
of the State of Missouri**

Surrebuttal Testimony

of

Aaron J. Doll

on behalf of

**The Empire District Electric Company
a Liberty Utilities Company**

March 2020



SURREBUTTAL TESTIMONY
OF
AARON J. DOLL
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2019-0374

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Aaron J. Doll. My business address is 602 South Joplin Avenue, Joplin,
4 Missouri.

5 **Q. ARE YOU THE SAME AARON J. DOLL THAT TESTIFIED IN BOTH**
6 **DIRECT AND REBUTTAL IN THIS CASE?**

7 A. Yes. I filed both Direct and Supplemental Direct Testimony, as well as, Rebuttal
8 Testimony in this case on behalf of The Empire District Electric Company (“Liberty-
9 Empire” or “Company”).

10 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN**
11 **THIS PROCEEDING?**

12 A. I will be responding to Office of Public Counsel (“OPC”) witness Lena Mantle
13 regarding transmission charges in the Empire District Electric Company (“Liberty-
14 Empire” or the “Company”) Fuel Adjustment Clause (“FAC”). I will also address the
15 concerns raised by Missouri Public Service Commission Staff (“Staff”) witnesses
16 Luebert regarding resource adequacy concerns and Mastrogiannis regarding the
17 Company’s fuel adjustment clause (“FAC”).

18 **Q. DO YOU AGREE WITH MS. MANTLE’S STATEMENT ON PAGE 10 OF**
19 **HER REBUTTAL TESTIMONY THAT “EMPIRE IS PROPOSING TO**

1 **MODIFY ITS FAC TO INCLUDE ITS TRANSMISSION COSTS THAT ARE**
2 **NOT DIRECTLY RELATED TO ITS PURCHASED POWER”?**

3 A. No. Liberty-Empire is proposing to include transmission costs that are directly
4 related to its purchased power. There should be no debating that the energy that
5 Liberty-Empire procures on behalf of its customers is 100% purchased power. A
6 misconception appears to exist that Liberty-Empire generates electricity and then self-
7 supplies power and merely purchases if the electricity generated is less than what is
8 being consumed by its customers. In fact, all of the electricity that Liberty-Empire
9 generates is sold into the SPP market and SPP takes title to that power. Separately,
10 Liberty-Empire purchases electricity from the market to serve 100% of its load, and
11 that electricity is sold by and purchased from SPP.

12 **Q. DOES SPP TAKE TITLE TO ALL OF THE POWER SOLD INTO THE**
13 **INTEGRATED MARKETPLACE (“IM”)?**

14 A. Yes. Attached to my testimony as Surrebuttal Schedule AJD-1 is the tariff filing for
15 compliance with FERC Order 741, and Surrebuttal Schedule AJD-2 is FERC’s
16 acceptance of SPP’s Order 741 compliance filing. The revisions that SPP made to its
17 Open Access Transmission Tariff (“OATT”) provide a mechanism whereby SPP will
18 become the Central Counterparty to transactions in the market. As such, SPP
19 becomes a buyer to sellers and a seller to buyers in the SPP IM to establish mutuality
20 in the transactions. This mutuality is possible because SPP takes “flash title” to each
21 transaction. FERC approved this language with an effective date of March 1, 2014.

22 **Q. IS THE POWER PURCHASED TO SERVE OUR NATIVE LOAD FROM**
23 **GENERATION PLANTS NOT OWNED BY THE COMPANY?**

24 A. That is correct. SPP owns the power produced from all generation sold into the IM.

1 **Q. DO YOU AGREE WITH STAFF WITNESS LEUBERT THAT LIBERTY-**
2 **EMPIRE CREATED A SITUATION WHERE IT CANNOT MEET ITS**
3 **RESOURCE ADEQUACY OBLIGATIONS WITH SPP?**

4 A. No. I think Staff witness Leubert misinterpreted my rebuttal testimony. Liberty-
5 Empire will not be short in its resource adequacy requirements due to the retirement
6 of Asbury, a new capacity agreement with a customer, or the new wind projects not
7 being Commercially Operational at this moment in time. The purpose of that portion
8 of my rebuttal was to dispel the notion that additional capacity has no value to our
9 customers even if it is not yet in rates. Resource adequacy calculations require
10 renewable accreditation calculations and testing requirements as prescribed by the
11 SPP Planning Criteria. This is a dynamic process and an entity may not be able to
12 count on the exact same ratings as prior years for deliverable capacity.

13 **Q. IS LIBERTY-EMPIRE AGREEABLE TO PROVIDING STAFF WITH A**
14 **COPY OF ITS RESOURCE ADEQUACY FILING WITH SPP?**

15 A. Yes. SPP will provide official acceptance by May 15, 2020 and Liberty-Empire can
16 submit the same information to Staff.

17 **Q. DOES LIBERTY-EMPIRE AGREE WITH STAFF WITNESS**
18 **MASTROGIANNIS REGARDING LANGUAGE OMITTED FROM ITS FAC**
19 **TARIFF?**

20 A. No. Liberty-Empire proposed removal of that language because it is unclear what is
21 exactly being communicated. Liberty-Empire is comfortable with the second option
22 provided by Staff witness Mastrogiannis regarding appending a list of sub-accounts to
23 the revised FAC tariff.

1 **Q. DOES LIBERTY-EMPIRE AGREE WITH STAFF WITNESS**
2 **MASTROGIANNIS REGARDING WHETHER THE FAC IS DESIGNED TO**
3 **ACCOUNT FOR COSTS AND REVENUES TO BE ADJUSTED OUTSIDE A**
4 **GENERAL RATE CASE (“GRC”)?**

5 A. Liberty-Empire does not disagree that the FAC allows for variable changes of fuel
6 and purchased power outside a GRC. I believe, however, that it is a step too far to
7 suggest that Liberty-Empire would implement a new Purchased Power Agreement on
8 the same scale as the proposed wind investment described in EA-2019-0010 and
9 casually drop the investment into a 555 purchased power account outside of a GRC.
10 A purchased power agreement on a similar scale to the wind projects would likely
11 either have a capacity charge component or a reflection of fixed costs in the energy
12 charge. Assuming the capacity charge is equal to or greater than one year, the charge
13 would be prohibited from flowing through the Liberty-Empire FAC. If the fixed
14 costs are imbedded in the energy charge, recovery of costs from sales to the SPP IM
15 would likely be insufficient to recover costs. This is because the construct of the SPP
16 IM is to recover short-run marginal costs, which does not include long-term fixed
17 costs. Liberty-Empire would need a base rate adjustment to ensure that the FAC has
18 the correct amount of base fuel, and a base rate adjustment cannot be completed
19 outside of a GRC.

20 **Q. HAS EMPIRE EVER PROCURED A PURCHASED POWER AGREEMENT**
21 **OF A SIMILAR SCALE TO THE PROPOSED WIND INVESTMENT**
22 **OUTSIDE OF A GRC SINCE THE ESTABLISHMENT OF ITS FAC?**

23 A. No.

1 **Q. DOES LIBERTY-EMPIRE BELIEVE THAT IT IS A REQUIREMENT TO**
2 **ADJUST THE FAC LANGUAGE TO SPECIFICALLY PRECLUDE THE**
3 **SHARING OF REVENUE RECEIVED FROM THE PROPOSED WIND**
4 **INVESTMENTS WITH ITS CUSTOMERS IN ADVANCE OF ITS NEXT**
5 **GRC?**

6 A. No. Liberty-Empire proposed the revision in an abundance of caution to make certain
7 all of the parties in this case understood that the flow of revenue from the wind farm
8 investments prior to the next GRC would be retained by the Company in order to
9 partially offset the costs that will be carried from the wind investment until the
10 adjudication of the next GRC. It is the Company's opinion that the regulatory
11 treatment sought in its next GRC would then lift that restriction and allow the
12 distribution of subsequent revenues to its customers.

13 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

14 A. Yes.

VERIFICATION OF AARON J. DOLL

Aaron J. Doll, under penalty of perjury, declares that the foregoing surrebuttal testimony is true and correct to the best of her/his knowledge, information, and belief.

/s/Aaron J. Doll _____

Aaron J. Doll

Senior Director, Energy Strategy



HELPING OUR MEMBERS WORK TOGETHER
TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

December 28, 2012

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *Southwest Power Pool, Inc.*, Docket No. ER13-____-000
Compliance Filing to Revise Tariff Pursuant to Order No. 741

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. 824d (2000) (“FPA”), and Section 35.13 of the Federal Energy Regulatory Commission’s (“Commission”) Regulations, 18 C.F.R. § 35.13 (2011), Southwest Power Pool, Inc. (“SPP”) submits revisions to its Open Access Transmission Tariff (“Tariff”)¹ to comply with the Commission’s directives,² as more fully described below.

I. BACKGROUND

SPP is a Commission-approved Regional Transmission Organization (“RTO”).³ It is an Arkansas non-profit corporation with its principle place of business in Little Rock, Arkansas. SPP has 68 Members, including 14 investor-owned utilities, 11 municipal systems, 12 generation and transmission cooperatives, 4 state authorities, 9 independent power producers, 10 power marketers and 8 independent transmission

¹ Southwest Power Pool, Inc., FERC Electric Tariff, Sixth Revised Volume No. 1 (“Tariff”).

² *Credit Reforms in Organized Wholesale Electric Markets*, Order No. 741, 75 FR 65942 (Oct. 27, 2010), FERC Stats. & Regs. ¶ 31,317 (2010) (“Order No. 741”), *order on reh’g*, Order No. 741-A, 76 FR 10492 (Feb. 25, 2011) (“Order No. 741-A”), FERC Stats & Regs. ¶ 31,320 (2011), *order denying reh’g*, Order No. 741-B, 135 FERC ¶ 61,242 (2011) (“Order No. 741-B”).

³ *Southwest Power Pool, Inc.*, 109 FERC ¶ 61,009 (2004), *order on reh’g*, 110 FERC ¶ 61,137 (2005).

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companies. As an RTO, SPP is a transmission provider currently administering transmission service over portions of Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma and Texas serving more than 6 million households in a 370,000 square-mile area.

On October 21, 2010, the Commission issued Order No. 741 which required RTOs and Independent System Operators (“ISO”) to implement reforms to credit policies used in organized wholesale electric power markets.⁴ Order No. 741, among other things, reformed the Commission’s existing credit policies by requiring the adoption of minimum criteria for market participation and the adoption of steps to address the risk that RTOs/ISOs may not be allowed to use netting and set-offs in the event of the bankruptcy of a market participant (“Netting Requirement”).⁵ The Commission was concerned that merely including the ability to net in RTO/ISO tariffs would not provide sufficient protection to ensure the right of an RTO/ISO to net in the bankruptcy context.⁶ Therefore, to mitigate this risk, the Commission has given RTOs/ISOs an option to submit tariff revisions that established a central counterparty to market transactions.⁷ Multiple RTOs/ISOs have chosen the central counterparty to satisfy the Commission’s Netting Requirement.⁸

On February 17, 2011, the Commission issued Order No. 741-A, wherein the deadline to comply with the Netting Requirement of Order No. 741 was extended.⁹ On June 30, 2011, SPP submitted its first compliance filing which the Commission conditionally accepted subject to SPP’s filing of additional compliance revisions to the Tariff.¹⁰ SPP filed an additional compliance filing on December 14, 2011,¹¹ which the Commission

⁴ See Order No. 741 at P 1. The Commission defined “organized wholesale electric markets” to “include energy, transmission and ancillary service markets operated by” RTOs, and identified SPP as an administrator of an organized wholesale market. *See id.* at P 1 n.1.

⁵ *See id.* at P 4.

⁶ *See id.* at P 121.

⁷ *See id.* at P 117.

⁸ *See Midwest Independent Transmission System Operator, Inc.*, 140 FERC 61,116 (2012). *See also PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207 (2010). *See also California Independent System Operator Corporation*, 140 FERC ¶ 61,169 (2012). *See also New York Independent System Operator, Inc.*, 140 FERC ¶ 61,110 (2012). *See also ISO New England Inc. and New England Power Pool*, 140 FERC ¶ 61,177 (2012).

⁹ *See* Order No. 741-A at P 1.

¹⁰ *Southwest Power Pool, Inc.*, 136 FERC ¶ 61,189 (2011) (“September 15 Order”).

¹¹ Order No. 741 Compliance Filing of Southwest Power Pool, Inc., Docket No. ER11-3967-002 (Dec. 14, 2011).

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approved on March 15, 2012.¹² Subsequently, the Commission extended the compliance filing deadline for the Netting Requirement to April 30, 2012.¹³

On April 30, 2012, SPP filed a motion for an extension of time to December 31, 2012 to comply with Order No. 741's Netting Requirement.¹⁴ SPP filed the Motion as a result of the complexity related to the development of a mechanism that addresses the Commission concerns regarding the netting and set-off of a market participant's obligations during a bankruptcy proceeding, and tailored to operate within SPP's proposed Integrated Marketplace.¹⁵ As part of the Motion, SPP also requested a waiver of Commission requirements to allow SPP to delay implementation of Order No. 741 compliance requirements until the commencement of the Integrated Marketplace on March 1, 2014.¹⁶ The Commission granted SPP's request for an extension to comply with Order No. 741's Netting Requirement and required SPP to file Tariff revisions by December 31, 2012;¹⁷ however, the Commission has not acted on SPP's waiver request to delay implementation of Order No. 741 compliance until March 1, 2014.

Therefore, SPP submits the instant filing to revise the Tariff to comply with the Commission's directives regarding the ability to net and offset market obligations in

¹² *Southwest Power Pool, Inc.*, 138 FERC ¶ 61,187 (2012).

¹³ *Credit Reforms in Organized Wholesale Electric Markets*, Notice of Extension of Time, Docket No. RM10-13-000 (Jan. 24, 2012).

¹⁴ *Credit Reforms in Organized Wholesale Electric Markets*, Motion of Southwest Power Pool, Inc. for Extension of Time to Submit Compliance Filing and Request for a Waiver to Defer Implementation of Compliance Requirement, Docket No. RM10-13-000 (Apr. 30, 2012) ("Motion").

¹⁵ See Motion at 3-5. See also *Southwest Power Pool, Inc.*, 141 FERC ¶ 61,048 (2012) ("Integrated Marketplace Order"). The Commission has conditionally approved SPP's Integrated Marketplace proposal subject to compliance filing. See also *Southwest Power Pool, Inc.*, Order Granting Rehearing for Further Consideration, Docket No. ER12-1179-002 (Dec.17, 2012).

¹⁶ *Id.* at 1-2. SPP's justification for the waiver of implementation of compliance is due to the fact that SPP's current Energy Imbalance Service Market ("EIS") is an energy only, real-time spot market that does not have the speculative market activity present in other centralized markets, and thus does not present the degree of market participation default risk that exists in other RTO/ISO markets which include day-ahead and real-time energy markets with financial transmission rights products. As these types of transactions are identified for the Integrated Marketplace, and given the EIS will be succeeded by the Integrated Marketplace on March 1, 2014, Commission approval of SPP's waiver request is appropriate.

¹⁷ *Credit Reforms in Organized Wholesale Electric Markets*, Notice of Extension of Time, Docket No. RM10-13-000 (May 14, 2012).

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bankruptcy pursuant to Order No. 741, and consistent with the December 31, 2012 extension filing date granted by the Commission.

II. DESCRIPTION OF TARIFF REVISIONS

To comply with the Netting Requirement of Order No. 741, SPP proposes to revise Attachment AE of the Tariff to provide a mechanism whereby the Transmission Provider will become counterparty to certain market transactions which are “pooled” within the Integrated Marketplace, therefore rendering it impossible to determine the mutuality of contract which exists between Market Participants. A central counterparty (or “counterparty”) is an entity that identifies the obligations of both parties in a transaction and interjects itself as the buyer to the seller and as the seller to the buyer. By taking “flash title” to each transaction, the counterparty has established mutuality in the transactions, creating legal standing to enable the set-off of amounts owed to and from a Market Participant in a bankruptcy proceeding.

This option will not require changes to the collateral requirements specified in the Tariff or necessitate any significant changes to the credit management system currently in development to support the Integrated Marketplace. The counterparty option was chosen by SPP’s Credit Practices Working Group (“CPWG”) and the Tariff revisions proposed in this filing were developed by SPP staff and reviewed by the Market Working Group (“MWG”) and Regional Tariff Working Group (“RTWG”). Both the SPP Markets and Operations Policy Committee (“MOPC”) and Board of Directors (“SPP Board”) have approved the counterparty policy and the Tariff revisions submitted in this instant filing.

The Tariff revisions proposed herein will provide SPP the legal capacity to net market transactions within the Integrated Marketplace and the mechanism whereby SPP becomes a counterparty to market related transactions as defined in the Tariff. The revisions add a new definition of “Integrated Marketplace Counterparty” and new section to provide for SPP’s assumption of the role under the Tariff. Additionally, a new section to Attachment AE is being proposed to define and limit SPP’s liability as counterparty to market transactions. SPP requests an effective date of March 1, 2014 coincident to the implementation of SPP’s Integrated Marketplace. Below is a summary of the proposed revisions.

A. Attachment AE, Section 1.1 - Definitions

A new definition of “Integrated Marketplace Counterparty” is being proposed to the definitions section of Attachment AE to define the role the Transmission Provider will assume as counterparty to all Integrated Marketplace transactions. The definition limits the Transmission Provider’s status of counterparty to only transactions associated with the market, and not in any other capacity or role the Transmission Provider fulfills as administrator of the Tariff. The proposed definition of Integrated Marketplace Counterparty is as follows:

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“The Transmission Provider, as counterparty to all Integrated Marketplace transactions (and not in any other capacity of the Transmission Provider under the Tariff) in accordance with the provisions of Section 3.8 of this Attachment AE.”

B. Attachment AE, Section 3.1 - Transmission Provider Scope of Services

In this filing, SPP proposes revisions to Section 3.1 of Attachment AE to define the Transmission Provider’s role as the Integrated Marketplace Counterparty in addition to the other functions the Transmission Provider performs within SPP’s proposed Integrated Marketplace. Specifically, the proposed language states that the Transmission Provider will:

“Function as the Integrated Marketplace Counterparty for all Integrated Marketplace transactions in accordance with the provisions of Section 3.8 of this Attachment AE.”

C. Attachment AE, Section 3.8 - Integrated Marketplace Counterparty

In this filing, SPP proposes to add a new section 3.8 to Attachment AE to describe in specific detail the function and role the Integrated Marketplace Counterparty will assume. Section 3.8 specifically identifies which transactions the Integrated Marketplace Counterparty will become a counterparty; and clarifies which transactions are not under the purview of the Integrated Marketplace Counterparty. Additionally, the new language will define how counterparty status will enable the Integrated Marketplace Counterparty to net and offset a Market Participant’s obligations within the Integrated Marketplace. To put in other terms, the revisions proposed herein describe the legal capacity with which SPP proposes to act with respect to market transactions.

1. Section 3.8.1

Under new Section 3.8.1, the Integrated Marketplace Counterparty will settle, collect and distribute all charges that are Integrated Marketplace transactions. Additionally, under proposed Section 3.8.1, the Integrated Marketplace Counterparty is the contracting party, as a principal and not as an agent, with each Market Participant for the Market Participant’s agreements and transactions in the Transmission Congestion Rights (“TCR”) Market, Day-Ahead Market, and the Real-Time Balancing Market, as these

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terms are defined and operate within Attachment AE.¹⁸ Virtual transactions will also be settled in conjunction with Day-Ahead Market and TCR Market transactions on a weekly basis.¹⁹ Virtual transactions, under Attachment AE, act like the Day-Ahead Market product but without the transfer of physical load. This language allows SPP to become counterparty to these Virtual transactions. This section also clarifies that the Integrated Marketplace Counterparty will not be a contracting party to certain excluded transactions under new Section 3.8.3, which will be further explained below.

2. Section 3.8.2

Proposed Section 3.8.2 provides counterparty status to other contractual instruments held by Market Participants under the Integrated Marketplace. Specifically, under this proposed mechanism, the Integrated Marketplace Counterparty will have counterparty

¹⁸ See generally Submission of Tariff Revisions to Implement SPP Integrated Marketplace of Southwest Power Pool, Inc., Docket No. ER12-1179-000 (Feb. 29, 2012). The proposed Tariff language (“Integrated Marketplace Tariff”), which was conditionally approved by the Commission (*see supra* n.18) contains the following defined products and related market transactions which SPP proposes to be subject to this Order No. 741 Compliance Filing:

Day-Ahead Market is defined as “[t]he market for Energy and Operating Reserve that is conducted on the day prior to the Operating Day.” (Integrated Marketplace Tariff, Common Service Provisions § I.1, D-Definitions).

Real-Time Balancing Market is defined as “[t]he market operated by the Transmission Provider continuously in real-time to balance the system through deployment of Energy to clear Regulation-Up, Regulation-Down, Spinning Reserve and Supplemental Reserve.” (Integrated Marketplace Tariff, Common Service Provisions § I.1, R-Definitions).

Transmission Congestion Right (“TCR”) is defined as “[a] right that entitles the holder to be compensated or charged for congestion in the Day-Ahead Market between two Settlement Locations.” (Integrated Marketplace Tariff, Attachment AE § 1.1, Definitions-T).

Transmission Congestion Rights Markets (“TCR Markets”) is defined as “[t]he annual and monthly Transmission Congestion Rights auctions and the Auction Revenue Rights annual and monthly allocation processes.” (Integrated Marketplace Tariff, Attachment AE § 1.1, Definitions-T)

¹⁹ See Integrated Marketplace Tariff, Attachment AE § 1.1, Definitions-V. Virtual Energy Bid and Virtual Energy Offer are proposals by a Market Participant to purchase or sell, respectively, Energy at a specified price, Settlement Location and period of time in the Day-Ahead Market that is not associated with a physical load or Resource.

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status to TCRs and Auction Revenue Rights (“ARRs”)²⁰ instruments and shall be the contracting party with respect to contractual rights and obligations of the holders of ARR and TCRs. This counterparty status runs with the underlying transactional instrument.

3. Section 3.8.3 - Exclusions

As referenced above, SPP does not intend to become counterparty to some transactions offered under the Tariff. SPP proposes to not become counterparty to agreements and transactions for Point-To-Point Transmission Service under Part II of the Tariff (and related rate schedules), Network Integration Transmission Service under Part III of the Tariff (and related rate schedules), and Ancillary Services under Schedules 1 and 2 of the Tariff. Under the Tariff, these agreements and transactions are not “pooled” transactions but are subject to *pro forma* service agreements whereby the buyer and seller are identifiable for an individual transaction. Therefore, these types of Tariff services do not require counterparty status for the Transmission Provider.

Similarly, SPP does not propose to become counterparty to bilateral transactions between Market Participants or arrangements which involve self-commitment of resources, self-scheduling of transmission service and self-supply arrangements. These types of transactions are outside the purview of the Integrated Marketplace Counterparty. Finally, the Integrated Marketplace Counterparty will not become counterparty to bilateral agreements for the transfer of ARR and TCRs. Within the Integrated Marketplace, SPP will administer a secondary market for the express purpose of bilateral TCR transactions between Market Participants. The secondary market will not be considered as having “pooled” transactions, and therefore SPP will not become a counterparty to any secondary trading of these products.

D. Attachment AE, Section 10 - Billing Introductory Paragraph

To facilitate the right to net market transactions and limit the Transmission Provider’s liability with regards to market transactions, SPP proposes to clarify in the introductory paragraph of Attachment AE, Section 10 of the Tariff that billing statements containing charges and payments prepared for each Market Participant and showing the net amounts to be paid or received by Market Participants shall be in accordance with the new sections (10.6 and 10.7) governing the netting rights and limitation of liability, which will be described in further detail below. This language is necessary to clearly identify the

²⁰ See Integrated Marketplace Tariff, Attachment AE § 1.1, Definitions-A. Auction Revenue Rights are a right which entitles the holder to a share of the auction revenues generated in the applicable TCR auction and entitles the holder to self-convert the AAR or TCR.

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Transmission Provider's right to net, and to limits of liability with regard to these "pooled" transactions.

E. Attachment AE, Section 10.5 - Market Participant Default

SPP proposes to revise Section 10.5 in its entirety to clarify that defaults under Attachment AE are applicable to Market Participants. Section 10.5 currently references "Customer" which is technically incorrect. An entity participating in the Integrated Marketplace is defined as a "Market Participant" in the Tariff. Therefore, the revisions requested to this section are reasonable and necessary to clearly identify the proper party taking services under Attachment AE; and clarify that defaults of Integrated Marketplace transactions are to be handled in accordance with Attachments L (Treatment of Revenues) and Attachment X (SPP Credit Policy) of the Tariff.

F. Attachment AE, Section 10.6 - Further Clarification Regarding Right to Net

In this filing, SPP proposes to add a new Section 10.6 which will specifically reference the Integrated Marketplace Counterparty's right to net market obligations and provide for the mutual discharge of debts and payments for multiple market transactions through netting. The introductory paragraph of Section 10 of Attachment AE provides a high-level reference to the Transmission Provider's right to net debt and payment obligations. The purpose of this new Section 10.6 is to provide further clarification and explanation that all amounts a Market Participant or SPP owes to other party under Attachment AE shall be replaced by a single payment obligation and netted, and therefore, the only amount remaining due which shall be paid by the owning party shall be the net of obligations (debts and payments) incurred within the Integrated Marketplace.

G. Attachment AE, Section 10.7 - Integrated Marketplace Counterparty Limitation of Liability

SPP seeks Commission approval of new Section 10.7 to define the Integrated Marketplace Counterparty's limitation of liability with regards to the settlement of market transactions under Attachment AE. This proposed Tariff language provides that the liability of the Integrated Marketplace Counterparty to settle market transactions is limited to that extent the aggregate payments owed to a Market Participant shall not exceed the aggregate amount of payments that have been paid to or recovered from that Market Participant with respect to a settlement period. Under the billing provisions of Section 10, SPP will, as administrator of the Integrated Marketplace, settle and invoice Market Participants for market transactions. SPP shall net a Market Participant's charges owed and payments due pursuant to Section 10.6, as described above. This new Section 10.7 provides that when performing its obligations to settle, collect and/or make payments to Market Participants, SPP's financial liability to make payments to Market Participants is limited to the amounts that SPP can physically collect from Market

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Participants. In other words, the proposed Tariff revisions allow SPP to limit its liability for payments to Market Participants where SPP is limited in its ability or unable to collect the charges owed by Market Participants for transactions within the Integrated Marketplace. Such a limitation of liability is reasonable given SPP's classification as a non-Market Participant and administrator of the Integrated Marketplace.

H. Stakeholder Review and Conclusion

The proposed Tariff revisions described in this filing letter comply with the scope of requirements directed by the Commission in Order No. 741. SPP's stakeholders considered the various options put forth by the Commission to satisfy the Netting Requirement. Ultimately, the CPWG settled on the central counterparty option and the RTWG approved SPP staff's proposed Tariff revisions, which were also endorsed by the MWG. The MOPC and SPP Board approved the Tariff revisions and directed SPP to make its compliance filing by December 31, 2012, as ordered by the Commission.

In conclusion, SPP respectfully requests that the Commission accept and approve the proposed Tariff revisions herein as fully compliant with the requirements of Order No. 741.

III. EFFECTIVE DATES/REQUEST FOR WAIVER

SPP requests that the Commission accept the proposed revisions to the Tariff to become effective March 1, 2014, to coincide with the implementation of SPP's Integrated Marketplace. Good cause exists to allow the proposed revisions to be effective on the date requested in accordance with the Commission's waiver of notice requirement.²¹ As stated in this transmittal letter and the Motion,²² the Netting Requirement of Order No. 741 is applicable to transactions in the Integrated Marketplace. Further, the Commission has conditionally approved the Integrated Marketplace. Therefore, SPP respectfully requests waiver of any Commission regulation necessary to allow the proposed revisions to be effective coincident to the implementation of the Integrated Marketplace on March 1, 2014.

SPP also requests a waiver of the Electric Quarterly Report ("EQR") reporting requirements regarding the Integrated Marketplace Counterparty's sales to Market Participants that result from SPP's administration of the Integrated Marketplace and presence in the chain of title of the market's "pooled" transactions. SPP's role is limited to facilitation of transactions in a centralized market. SPP will not be a Market Participant, and will not have any discretion regarding price. Market Participants selling into the Integrated Marketplace (and hence to SPP as the counterparty) will continue to

²¹ 18 C.F.R. § 35.11 (2012)

²² See *supra* n. 16

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have EQR reporting requirements with respect to their sales transactions. EQR reporting by SPP will not provide any significant additional information beyond that already received by the Commission from Market Participants. SPP will remain a party to the transmission contracts that are required to be reported in the EQR, and services under these contracts will be provided under SPP's Tariff. The Commission has previously approved waivers of the EQR reporting requirement regarding sales to Market Participants that result from an RTO's/ISO's presence as the central counterparty for all market-related transactions.²³ Therefore, the Commission should grant the waiver of EQR reporting requirement for Integrated Marketplace transactions as requested by SPP.

IV. ADDITIONAL INFORMATION

A. Documents Submitted with this Filing:

In addition to this transmittal letter, the following documents are included with this filing:

Clean and Redline Tariff revisions under the Sixth Revised Volume No. 1

B. Service:

SPP has electronically served a copy of this filing on all its Members and Customers. A complete copy of this filing will be posted on the SPP web site, www.spp.org, and is also being served on all affected state commissions.

C. Requisite Agreement:

These revisions to the Tariff do not require any contracts or agreements.

D. Part 35.13 Cost of Service Support

To the extent necessary, SPP requests waiver of any provisions of section 35.13 of the Commission's regulations that may be deemed to require cost support in the form of cost-of-service statements for the enclosed revisions. SPP notes that the enclosed revisions are proposed in compliance with a Commission order.

²³ See *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207 at P 60-61 (2010); see also *ISO New England Inc.*, 140 FERC ¶ 61,177 at P 32 (2012); see also *California Independent System Operator Corporation*, 140 FERC ¶ 61,169 at P 37 (2012).

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E. Communications

Correspondence and communications with respect to this filing should be sent to, and SPP requests the Secretary to include on the official service list, the following:

Nicole Wagner
Manager–Regulatory Policy
Southwest Power Pool, Inc.
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V. CONCLUSION

For all of the foregoing reasons, SPP respectfully requests that the Commission accept the Tariff revisions proposed herein as just and reasonable, with the effective date as discussed above.

Respectfully submitted,
/s/ Matthew Harward
Matthew Harward
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223
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**Attorney for
Southwest Power Pool, Inc.**

1.1 Definitions I

Import Interchange Transaction

A schedule for importing Energy into the SPP Balancing Authority Area.

Import Interchange Transaction Offer

A proposal by a Market Participant to provide Energy from a source external to the SPP Balancing Authority Area at a specified External Interface and period of time.

Integrated Marketplace

The Day-Ahead Market, the Real-Time Balancing Market, the Transmission Congestion Rights Market and the Reliability Unit Commitment processes.

Integrated Marketplace Counterparty

The Transmission Provider, as counterparty to all Integrated Marketplace transactions (and not in any other capacity of the Transmission Provider under the Tariff) in accordance with the provisions of Section 3.8 of this Attachment AE.

Interchange Transaction

Any Energy transaction that is crossing the boundary of the SPP Balancing Authority Area and requires checkout with one or more external Balancing Authority Areas. This includes any Import Interchange Transaction, Export Interchange Transaction or Through Interchange Transaction.

Intra-Day Reliability Unit Commitment (“Intra-Day RUC”)

The process performed by the Transmission Provider following the completion of the Day-Ahead Reliability Unit Commitment process and throughout the Operating Day to assess Resource and Operating Reserve adequacy for the Operating Day, commit or de-commit Resources as necessary, and communicate commitment or de-commitment of Resources to the appropriate Market Participants as necessary.

3.1 Transmission Provider Scope of Services

The Transmission Provider shall perform the services pertaining to the Integrated Marketplace specified in this Tariff, including, but not limited to, the following.

- (1) Develop and maintain rules, practices and procedures for the Integrated Marketplace.
- (2) Operate and administer the Integrated Marketplace,
- (3) Function as the Integrated Marketplace Counterparty for all Integrated Marketplace transactions in accordance with the provisions of Section 3.8 of this Attachment AE.

In addition, the Transmission Provider, in its functional entity roles as the Reliability Coordinator, Balancing Authority, Transmission Service Provider, Planning Coordinator, Reserve Sharing Group Administrator, Interchange Authority and Market Operator shall act in compliance with and perform such functional entity roles as defined by NERC in the Reliability Functional Model.

3.8 Integrated Marketplace Counterparty

- 3.8.1 The Integrated Marketplace Counterparty settles, collects and distributes all charges in the Integrated Marketplace; and is the contracting party, as a principal and not as an agent, with each Market Participant for that Market Participant's Integrated Marketplace agreements and transactions in the TCR Market, Day-Ahead Market, and Real-Time Balancing Market. Notwithstanding the above, the Integrated Marketplace Counterparty shall not be a contracting party as described under Section 3.8.3 of this Attachment AE.
- 3.8.2 The Integrated Marketplace Counterparty will serve as the counterparty to Transmission Congestion Rights ("TCRs") and Auction Revenue Rights ("ARRs") instruments held by a Market Participant. The Integrated Marketplace Counterparty shall be the contracting party with respect to the contractual rights and obligations of the holders of ARR and TCRs.
- 3.8.3 Exclusions
- 3.8.3.1 The Transmission Provider's capacity as the Integrated Marketplace Counterparty shall not include agreements and transactions for Transmission Service, Network Integrated Transmission Service, or Ancillary Services under Schedules 1 and 2 provided pursuant to Parts II, III and IV, and related rate Schedules contained in the Tariff.
- 3.8.3.2 To the extent Market Participants conduct bilateral transactions with other Market Participants, self-commit or self-supply power and energy to the loads they serve, such bilateral transactions, self-commitment, self-scheduled, and self-supply arrangements are not transactions with the Integrated Marketplace Counterparty.
- 3.8.3.3 The Integrated Marketplace Counterparty shall not be a counterparty to bilateral agreements for the transfer of ARR and TCRs between Market Participants.

10.0 Billing

The Transmission Provider shall prepare a billing statement each billing cycle in accordance with this section of Attachment AE. Such billing statements shall be prepared for each Market Participant in accordance with the charges and payments specified in Section 8 of this Attachment AE, and showing the net amount to be paid or received by the Market Participant in accordance with Sections 10.6 and 10.7 of this Attachment AE. Billing statements shall provide sufficient detail, as specified in the Market Protocols, to allow verification of the billing amounts and completion of the Market Participant's internal accounting. Unresolved billing disputes shall be settled in accordance with procedures specified in Section 12 of the Tariff.

10.5 Market Participant Default

Defaults by a Market Participant will be handled in accordance with Attachments L (Treatment of Revenues) and X (SPP Credit Policy) of the Tariff.

10.6 Further Clarification Regarding Right to Net

The Integrated Marketplace Counterparty and the Market Participant shall discharge mutual debts and payment obligations for multiple transactions due and owing to each other on the same date through netting, in which case all amounts a party owes to the other party under Attachment AE shall be replaced by a single payment obligation and netted so that only the net amount remaining due shall be paid by the owing party.

10.7 Integrated Marketplace Counterparty Limitation of Liability

The liability of the Integrated Marketplace Counterparty to settle Integrated Marketplace transactions shall be limited such that the aggregate of payments owed to a Market Participant shall not exceed the aggregate amount of payments that has been paid to or recovered by the Integrated Marketplace Counterparty, from that Market Participant (including by way of realization of financial security) in respect of that settlement period.

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FERC rendition of the electronically filed tariff records in Docket No. ER13-00661-000
Filing Data:
CID: C000771
Filing Title: FERC Order No. 741 Integrated Marketplace Compliance Filing
Company Filing Identifier: 427
Type of Filing Code: 80
Associated Filing Identifier:
Tariff Title: Open Access Transmission Tariff, Sixth Revised Volume No. 1
Tariff ID: 5
Payment Confirmation:
Suspension Motion:

Tariff Record Data:
Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att. AE (MPL) 1.1 I, Attachment AE (MPL) Section 1.1 I, 1.0.0, A
Record Narrative Name: 1.1 Definitions I
Tariff Record ID: 1009
Tariff Record Collation Value: 548948000 Tariff Record Parent Identifier: 1001
Proposed Date: 2014-03-01
Priority Order: 550
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier: 293

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att. AE (MPL) 3.1, Attachment AE (MPL) Section 3.1, 1.0.0, A
Record Narrative Name: 3.1 Transmission Provider Scope of Services
Tariff Record ID: 1042
Tariff Record Collation Value: 549080000 Tariff Record Parent Identifier: 1041
Proposed Date: 2014-03-01
Priority Order: 550
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier: 293

3.1 Transmission Provider Scope of Services

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- (2) Operate and administer the Integrated Marketplace,
- (3) Function as the Integrated Marketplace Counterparty for all Integrated Marketplace transactions in accordance with the provisions of Section 3.8 of this Attachment AE.

In addition, the Transmission Provider, in its functional entity roles as the Reliability Coordinator, Balancing Authority, Transmission Service Provider, Planning Coordinator, Reserve Sharing Group Administrator, Interchange Authority and Market Operator shall act in compliance with and perform such functional entity roles as defined by NERC in the Reliability Functional Model.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att AE Section 3.8, Attachment AE (MPL) Section 3.8, 0.0.0, A
Record Narrative Name: 3.8 Integrated Marketplace Counterparty
Tariff Record ID: 1250
Tariff Record Collation Value: 549124500 Tariff Record Parent Identifier: 1041
Proposed Date: 2014-03-01
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

3.8 Integrated Marketplace Counterparty

- 3.8.1 The Integrated Marketplace Counterparty settles, collects and distributes all charges in the Integrated Marketplace; and is the contracting party, as a principal and not as an agent, with each Market Participant for that Market Participant's Integrated Marketplace agreements and transactions in the TCR Market, Day-Ahead Market, and Real-Time Balancing Market. Notwithstanding the above, the Integrated Marketplace Counterparty shall not be a contracting party as described under Section 3.8.3 of this Attachment AE.
- 3.8.2 The Integrated Marketplace Counterparty will serve as the counterparty to Transmission Congestion Rights ("TCRs") and Auction Revenue Rights ("ARRs") instruments held by a Market Participant. The Integrated Marketplace Counterparty shall be the contracting party with respect to the contractual rights and obligations of the holders of ARR and TCRs.
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commitment, self-scheduled, and self-supply arrangements are not transactions with the Integrated Marketplace Counterparty.

3.8.3.3 The Integrated Marketplace Counterparty shall not be a counterparty to bilateral agreements for the transfer of ARRs and TCRs between Market Participants.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att. AE (MPL) 10, Attachment AE (MPL) Section 10, 1.0.0, A
Record Narrative Name: 10.0 Billing
Tariff Record ID: 1198
Tariff Record Collation Value: 549640000 Tariff Record Parent Identifier: 999
Proposed Date: 2014-03-01
Priority Order: 550
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier: 293

10.0 Billing

The Transmission Provider shall prepare a billing statement each billing cycle in accordance with this section of Attachment AE. Such billing statements shall be prepared for each Market Participant in accordance with the charges and payments specified in Section 8 of this Attachment AE, and showing the net amount to be paid or received by the Market Participant in accordance with Sections 10.6 and 10.7 of this Attachment AE. Billing statements shall provide sufficient detail, as specified in the Market Protocols, to allow verification of the billing amounts and completion of the Market Participant's internal accounting. Unresolved billing disputes shall be settled in accordance with procedures specified in Section 12 of the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att. AE (MPL) 10.5, Attachment AE (MPL) Section 10.5, 1.0.0, A
Record Narrative Name: 10.5 Customer Default
Tariff Record ID: 1203
Tariff Record Collation Value: 549660000 Tariff Record Parent Identifier: 1198
Proposed Date: 2014-03-01
Priority Order: 550
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier: 293

10.5 Market Participant Default

Defaults by a Market Participant will be handled in accordance with

Attachments L (Treatment of Revenues) and X (SPP Credit Policy) of the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att AE Section 10.6, Attachment AE (MPL) Section 10.6, 0.0.0, A
Record Narrative Name: 10.6 Further Clarification Regarding Right to Net
Tariff Record ID: 1251
Tariff Record Collation Value: 549660500 Tariff Record Parent Identifier: 1198
Proposed Date: 2014-03-01
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

10.6 Further Clarification Regarding Right to Net

The Integrated Marketplace Counterparty and the Market Participant shall discharge mutual debts and payment obligations for multiple transactions due and owing to each other on the same date through netting, in which case all amounts a party owes to the other party under Attachment AE shall be replaced by a single payment obligation and netted so that only the net amount remaining due shall be paid by the owing party.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Att AE Section 10.7, Attachment AE (MPL) Section 10.7, 0.0.0, A
Record Narrative Name: 10.7 Integrated Marketplace Counterparty Limitation of Liability
Tariff Record ID: 1252
Tariff Record Collation Value: 549661000 Tariff Record Parent Identifier: 1198
Proposed Date: 2014-03-01
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

10.7 Integrated Marketplace Counterparty Limitation of Liability

The liability of the Integrated Marketplace Counterparty to settle Integrated Marketplace transactions shall be limited such that the aggregate of payments owed to a Market Participant shall not exceed the aggregate amount of payments that has been paid to or recovered by the Integrated Marketplace Counterparty, from that Market Participant (including by way of realization of financial security) in respect of that settlement period.

Document Content(s)

SURREBUTTAL SCHEDULE AJD-1

434-dff9d617-e30e-4298-9184-dafcfee2db29.PDF.....	1-11
427-eed32e07-318d-455e-9847-8789d1301594.PDF.....	12-18
427-5053c709-f624-4737-8dd4-ebbe3e316936.PDF.....	19-25
FERC GENERATED TARIFF FILING.RTF.....	26-30

143 FERC ¶ 61,262
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 24, 2013

In Reply Refer To:
Southwest Power Pool, Inc.
Docket No. ER13-661-000

Matthew Harward, Attorney
Southwest Power Pool, Inc.
201 Worthen Drive.
Little Rock, AR 72223

Reference: Compliance Filing

Dear Mr. Harward:

1. On December 28, 2012, pursuant to section 205 of the Federal Power Act (FPA),¹ Southwest Power Pool, Inc. (SPP) submitted a filing proposing revisions to SPP's Open Access Transmission Tariff (Tariff) in compliance with the Commission's directives in Order No. 741.²

2. Order No. 741, among other things, reformed the Commission's existing credit policies by requiring the adoption of minimum criteria for market participation and the adoption of steps to address the risk that regional transmission operators (RTO) and independent system operators (ISO) may not be allowed to use netting and set-offs in the event of the bankruptcy of a market participant (netting requirement).³ The Commission was concerned that merely including the ability to net in RTO/ISO Tariffs would not

¹ 16 U.S.C. § 824d (2006).

² *Credit Reforms in Organized Wholesale Electric Markets*, Order No. 741, 75 FR 65942 (Oct. 27, 2010), FERC Stats. & Regs. ¶ 31,317 (2010) (Order No. 741), *order on reh'g*, Order No. 741-A, 76 FR 10492 (Feb. 25, 2011), FERC Stats. & Regs. ¶ 31,320 (2011) (Order No. 741-A), *reh'g. denied*, Order No. 741-B, 135 FERC ¶ 61,242 (2011) (Order No. 741-B).

³ Order No. 741, FERC Stats. & Regs. ¶ 31,317 at P 4.

provide sufficient protection to ensure the right of an RTO/ISO to net in the bankruptcy context.⁴ Therefore, to mitigate this risk, the Commission required each RTO and ISO to submit a compliance filing that includes tariff revisions to include one of the following options: (1) establish a central counterparty; (2) require market participants to provide a security interest in their transactions in order to establish collateral requirements based on net exposure; (3) propose another alternative, which provides the same degree of protection as options 1 and 2; or (4) establish credit requirements for market participants based on their gross obligations.⁵

3. To comply with the Commission's directives to enhance its ability to offset market obligations in bankruptcy, SPP proposes to revise its Tariff to provide a mechanism whereby it will become counterparty to certain market transactions which are "pooled" within the Integrated Marketplace.⁶ SPP asserts that as a central counterparty, it identifies the obligations of both parties in a transaction and interjects itself as the buyer to the seller and as the seller to the buyer, establishing mutuality in the transactions, and creating legal standing to enable the set-off of amounts owed to and from a market participant in a bankruptcy proceeding.⁷

4. Specifically, SPP proposes revisions to Attachment AE of the Tariff that include: (1) a new definition of Integrated Marketplace Counterparty;⁸ (2) and a new section to provide for SPP's assumption of the role under the Tariff;⁹ and (3) new sections to Attachment AE to define and limit SPP's liability as counterparty to market transactions.¹⁰

5. SPP requests an effective date of March 1, 2014, to coincide with the implementation of SPP's Integrated Marketplace. According to SPP, good cause exists to allow the proposed revisions to be effective on the date requested because the netting requirement of Order No. 741 is applicable to transactions in the Integrated Marketplace.

⁴ *Id.* P 121.

⁵ *Id.* P 117.

⁶ SPP Transmittal at 4.

⁷ *Id.*

⁸ *Id.* See also SPP Tariff, Attachment AE, § 1.1 – definitions.

⁹ SPP Transmittal at 5. See also SPP Tariff, Attachment AE, § 3.1.

¹⁰ SPP Transmittal at 5-9. See also SPP Tariff, Attachment AE, §§ 3.8 and 10.

6. SPP also requests waiver of the Electric Quarterly Report (EQR) reporting requirements regarding the Integrated Marketplace Counterparty's sales to market participants that result from SPP's administration of the Integrated Marketplace. According to SPP, its role is limited to facilitation of transactions in a centralized market. Furthermore, SPP asserts that it will not be a market participant, and it will not have any discretion regarding price. SPP notes that market participants selling into the Integrated Marketplace will continue to have EQR reporting requirements with respect to their sales transactions, and EQR reporting by SPP will not provide any significant additional information beyond that already received by the Commission from the market participants. SPP asserts that the Commission has previously approved waivers of the EQR reporting requirements regarding sales to market participants that result from an RTO's/ISO's presence as the central counterparty for all market-related transactions.¹¹

7. Notice of SPP's filing was published in the *Federal Register*, 78 Fed. Reg. 2383 (2013), with interventions and protests due on or before January 18, 2013. Exelon Corporation and, collectively, East Texas Electric Cooperative, Inc., Northeast Texas Electric Cooperative, Inc., and Tex-La Electric Cooperative of Texas, Inc., filed motions to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹² the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

8. The Commission finds that SPP's proposed Tariff revisions to become the central counterparty for market-related transactions in the Integrated Marketplace comply with the netting requirements of Order No. 741. Accordingly, we accept SPP's filing to become effective on March 1, 2014, consistent with the effective date approved by the Commission in the order implementing SPP's Integrated Marketplace.¹³

¹¹ SPP Transmittal at 10 (citing *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207, at PP 60-61 (2010); *ISO New England Inc.*, 140 FERC ¶ 61,177, at P 32 (2012); *California Independent System Operator Corporation*, 140 FERC ¶ 61,169, at P 37 (2012)).

¹² 18 C.F.R. § 385.214 (2012).

¹³ *Southwest Power Pool, Inc.*, 141 FERC ¶ 61,048 (2012), *order on reh'g*, 142 FERC ¶ 61,205 (2013).

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- 4 -

9. We also grant SPP's request for waiver of the EQR reporting requirements regarding the Integrated Marketplace Counterparty's sales to market participants that result from SPP's administration of the Integrated Marketplace as consistent with the Commission's actions regarding similar waiver requests.¹⁴

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁴ See *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,207 at PP 60-61; *ISO New England Inc.*, 140 FERC ¶ 61,177 at P 32; *California Independent System Operator Corporation*, 140 FERC ¶ 61,169 at P 37 (granting EQR reporting requirement waivers for sales to market participants that result from an RTO's/ISO's presences as the central counterparty for market-related transactions).

Document Content(s)

SURREBUTTAL SCHEDULE AJD-2

ER13-661-000.DOC.....1-4