FILED
July 9, 2013
Data Center
Missouri Public
Service Commission

BEFORE THE

MISSOURI PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF ENTERGY ARKANSAS, INC., MID SOUTH TRANSCO LLC, TRANSMISSION COMPANY ARKANSAS, 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	)))))))))))))	**File No. EO-2013-0396**

SURREBUTTAL TESTIMONY OF

THOMAS H. WRENBECK

ON BEHALF OF

ITC MIDSOUTH LLC

JUNE 2013

ITC Exhibit No. 15
Date 6-18-13 Reporter KF
File No. EO-2013-0396

Q1. PLEASE STATE YOUR NAME.

A. My name is Thomas H. Wrenbeck.

Q2. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY TO THE MISSOURI PUBLIC SERVICE COMMISSION ("COMMISSION")?

A. Yes. I submitted Direct Testimony in this Proceeding on April 25, 2013.

Q3. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to certain statements in the Rebuttal Testimonies of witnesses representing The Empire District Electric Company ("Empire") and Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company ("KCPL"). My surrebuttal testimony will 1) explain that many of the concerns raised by these witnesses arise not from the Transaction involving ITC Holdings Corp. ("ITC") and Entergy Corporation as set forth in the Joint Application in this case, but rather from the integration of the Entergy Operating Companies[1] into the Midcontinent Independent System Operator, Inc. ("MISO"); 2) explain the incremental effect of the Transaction generally on the MISO through-and-out rate; and 3) offer ITC's views regarding the future of EAI's existing interconnection agreement with Empire. My Surebuttal Testimony thereby supports a determination by the Commission that the Transaction is not detrimental to the public interest.

[1] My Surrebuttal Testimony uses the term "Entergy Operating Companies" or "EOCs" to refer collectively to Entergy Arkansas, Inc. ("EAI"), Energy Louisiana, LLC, Entergy Gulf States Louisiana, L.L.C., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc.

Q4. IS IT IMPORTANT TO DRAW A DISTINCTION BETWEEN ISSUES RELATED TO THE TRANSACTION AND ISSUES RELATED TO ENTERGY ARKANSAS, INC.'S ("EAI") INTEGRATION INTO MISO?

A. Yes, it is. The witnesses' testimonies highlight several issues that arise from EAI's membership in MISO (although they may not have specified those issues as they pertain only to the limited facilities in Missouri), not from the Transaction for which approval is sought in this proceeding. In considering whether the Transaction is detrimental to the public interest, the Commission should not attribute to the Transaction any general effects of FERC rate or tariff changes that result from EAI's MISO integration. As EAI witness Mr. Riley explains in his Surrebuttal Testimony, the Transaction does not result in any change of jurisdiction over the limited Missouri transmission facilities which would be transferred through the transaction. The approximately 100 miles of transmission line located in Missouri are now, and will continue at all times to be, subject to FERC rate regulatory jurisdiction.

Q5. PLEASE EXPLAIN WHICH ISSUES RAISED BY THE INTERVENORS ARISE PREDOMINANTLY FROM MISO INTEGRATION, NOT THE TRANSACTION.

A. Empire's witness Mr. Warren discusses how conversion from the Entergy Services' Open Access Transmission Tariff ("Entergy OATT") to MISO Schedule 7 for through and out transmission service will affect the Plum Point Energy Station. This change and the related rate effects that Mr. Warren estimates do not result from the transfer of the EAI transmission facilities to ITC,

but from EAI's entry into MISO. Other changes that Mr. Warren lists, including changes to the Plum Point balancing authority and the applicability of MISO charges for scheduling, loss and congestion costs, likewise result from EAI's move to MISO, not from the Transaction.

Similarly, KCPL witness Mr. Carlson describes changes in rates related to four firm point-to-point Transmission Service Requests associated with generation from the Crossroads peaking generating facility that will occur "when moving from the Entergy OATT to the MISO Tariff." (Carlson Rebuttal Testimony, pp. 5-7). Again, the projected rate increases identified in Mr. Carlson's testimony result from the conversion of the Entergy Operating Companies from the Entergy OATT to the MISO Tariff, not the Transaction.

Mr. Carlson also discusses changes in off-system sales at pp. 7-10 of his Rebuttal Testimony. This, too, generally relates to EAI's joining MISO. Mr. Carlson's contention that KCPL's off-system sales margin will most likely decrease due to the transfer of what he describes generally as "Entergy" assets to ITC is not fully correct. The decrease is not due solely or primarily to the Transaction. The decrease in the sales margin will be because of increases resulting from the application of the MISO through and out rate in the Entergy Operating Companies' regions rather than the Entergy OATT. The amount of the decrease in the sales margin due to the through and out rate is affected by the Transaction, but the Transaction is not its sole or primary cause.

Q6. WILL THE TRANSACTION HAVE AN INCREMENTAL IMPACT ON RATES FOR THROUGH AND OUT TRANSMISSION SERVICE UNDER THE MISO TARIFF?

A. Yes, but this impact will be minor. Through and out transmission rates under the MISO tariff are the result of summing all the revenue requirements of all the MISO transmission owners and dividing that amount by all transmission load. Every addition of a new Transmission Owner therefore affects to some degree the amount of the MISO through and out rate that will be paid throughout the Entergy Operating Companies' region. Because the rate is based on an average of all transmission in MISO, however, the incremental effect of a change in the revenue requirement of a single transmission owner (in this case, the change in the revenue requirement under EAI ownership to the revenue requirement under ITC Arkansas ownership) will be very small.

Q7. WILL ITC OWNERSHIP HAVE AN EFFECT ON THE TRANSMISSION REVENUE REQUIREMENT THAT IS USED FOR THE CALCUATION OF POINT TO POINT RATES AND THROUGH AND OUT TRANSMISSION RATES DUE TO ITC ARKANSAS' CAPITAL STRUCTURE?

A. Yes. The magnitude of these effects is discussed in the Surrebuttal Testimony of ITC witness Cameron Bready.

Q8. EMPIRE WITNESS MR. WARREN ASKS THE COMMISSION TO ENSURE THAT THE TERMS AND CONDITIONS RELATED TO THE INTERCONNECTION AGREEMENT BETWEEN EAI AND EMPIRE

ARE ADDRESSED PRIOR TO THE TRANSFER OF FACILITIES THROUGH THE PROPOSED TRANSACTION. HOW DO YOU RESPOND?

A. ITC Arkansas is committed to meeting the needs of its Missouri transmission customers. ITC is prepared to honor existing agreements or, as necessary and upon the request of Empire, is willing to negotiate a new interconnection agreement between ITC Arkansas and Empire.

The agreement submitted as Schedule BKW-1 by Mr. Warren addresses matters in addition to the interconnection of Empire's facilities with those of EAI. ITC expects to assume the transmission related obligations of the agreement.

Q9. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

STATE OF Kansas)
) SS.
COUNTY OF Shawnee)

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Joint Application of Entergy Arkansas, Inc., Mid South TransCo LLC, Transmission Company Arkansas, 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	)	File No. EO-2013-0396

AFFIDAVIT OF THOMAS H. WRENBECK

COMES NOW Thomas H. Wrenbeck, of lawful age, sound of mind and being first duly sworn, deposes and states:

1. My name is Thomas H. Wrenbeck; I am Director of Regulatory Strategy for ITC Holdings Corp.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony in the above-referenced case.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge, information and belief.

Thomas H. Wrenbeck

SUBSCRIBED AND SWORN to before me, a Notary Public, this 5th day of June, 2013.

Notary Public

My Commission Expires: 10/30/2014
(SEAL)

JOANNE M. MILLER
NOTARY PUBLIC
My Appt. Exp. 10/30/14
STATE OF KANSAS