

APR 13 9 52 AM '10

ARKANSAS PUBLIC SERVICE COMMISSION

FILED *KR*

IN THE MATTER OF AN INQUIRY INTO ELECTRIC
 TRANSMISSION ISSUES WITHIN THE AREAS
 SERVED BY THE SOUTHWEST POWER POOL
 REGIONAL TRANSMISSION ORGANIZATION AND
 THE ENTERGY CORPORATION AS SUCH ISSUES
 AFFECT ELECTRIC SERVICE WITHIN ARKANSAS

DOCKET NO. 08-136-U
 ORDER NO. 23

ORDER

On September 25, 2008, the Commission opened this Docket “as the result of the Commission’s growing interest in and realization of the possible need for additional electric transmission infrastructure resources in Arkansas as well as throughout the ... Southwest Power Pool Regional Transmission Organization (“SPP-RTO”) region[].” Order No. 1 at 2. Originally designed “to serve as a mechanism for gathering information on the state of the existing electric transmission network in Arkansas and surrounding regions...” (*Id.*) this Docket has been tremendously informative to the Commission regarding the regional transmission grid challenges and opportunities in and around Arkansas and the Commission appreciates the input and participation of all parties to this Docket so far.

Fundamental to the Commission’s efforts in this Docket is the Commission’s statutory mandate to ensure safe, reliable electric service is provided to Arkansas ratepayers through effective regulation of its jurisdictional utilities. Specifically, SPP is a certificated jurisdictional public utility in the state of Arkansas that supplies a public service pursuant to Ark. Code Ann. § 23-3-201. *See* Docket No. 04-137-U, Order No. 6 (August 10, 2006). In addition, three of Arkansas’s four jurisdictional investor-owned electric utilities are members and have transferred functional control of their Arkansas

1
3
0

transmission facilities to SPP. *See* Oklahoma Gas & Electric, Docket No. 04-111-U, Order No. 1 (August 10, 2006); Southwestern Electric Power Company, Docket No. 04-143-U, Order No. 1 (August 10, 2006); and the Empire District Electric Company, Docket No. 05-132-U, Order No. 1 (August 1, 2006). Notably, on March 31, 2010, and April 1, 2010, OG&E and SWEPCO, respectively, filed their applications for approval to continue participating in the SPP RTO citing \$31.5 million in savings for OG&E and \$5.5 million for SWEPCO in the first three years of operation. Similarly, on April 2, 2010, Empire sought approval to continue its participation in the SPP RTO citing its own savings of \$29 million since February 2007.

It is the Commission's interest in the many efforts underway in the SPP-RTO region that have propelled the inquiries in this Docket to gain a better understanding of new and advanced technologies that can lead to greater optimization of the electric transmission grid by jurisdictional utilities and, as a result, benefit the state of Arkansas, its citizens and businesses.

In its Order No. 2000, issued on December 20, 1999, Federal Energy Regulatory Commission (FERC) mandated that Regional Transmission Organizations (RTOs) provide real-time energy imbalance services (EIS) in tandem with a market-based mechanism to manage transmission congestion. In response to FERC's order and in February 2007, SPP's EIS Market became operational and it began dispatching wholesale electricity. The EIS Market is operated under a FERC-approved tariff. Based on the monthly EIS monitoring reports SPP files in this Docket, significant benefits have been realized in the EIS market in the last three years, some of which ultimately inure benefit to Arkansas's ratepayers and aid in economic development. For example, the EIS

has continued to experience robust market participation, resulting in more efficient use of generation resources. *See* SPP EIS Monthly State of the Market Report for February 2010 at 3 (March 2, 2010).

With this context and in order to continue the Commission's inquiry on important transmission-related matters, all parties to this Docket are notified hereby that a technical conference in this Docket is scheduled for 9:00 am – 12 noon on Thursday, June 3, 2010, at Little Rock Regional Chamber of Commerce building, at 1 Chamber Plaza, Little Rock, Arkansas 72201. A Commission court reporter will transcribe the conference and it will become a part of the official record in this matter.

The purpose of this technical conference is to update the Commission on various issues of great import to the Southwest Power Pool, Inc. (SPP) and the Arkansas jurisdictional utilities that are members of the SPP. In order to facilitate a productive conference that encourages robust feedback and input, SPP is directed hereby to prepare presentations and/or summaries of the following issues and how they affect Arkansas ratepayers' access to and costs for safe and reliable transmission service:

1. Regional cost allocation of transmission projects;
2. Determination process and decision making authority regarding priority projects;
3. Progress on the Integrated Planning Process;
4. Status of SPP Tariff and activities of other state commissions in the SPP footprint relating to FERC Order 719 issued on October 17, 2008, addressing "reforms to improve the operation of organized wholesale electric power markets; "

5. Status of Entergy Region/SPP Seams Agreement Issues;
6. Status of future market developments; and
7. Any other matters about which SPP would like to brief the Commission and stakeholders.

These summaries and presentations should be filed in this docket no later than 12 noon on Wednesday, May 26, 2010, and SPP should ensure relevant personnel are available at the conference to present the materials and field questions from attendees. If SPP believes it will be beneficial, parts of SPP's presentation may be made by the transmission owner SPP members.

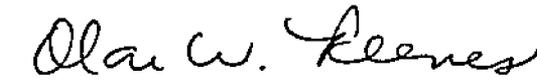
The Commission appreciates SPP's cooperation regarding this conference and hopes all interested parties are able to attend and participate.

BY ORDER OF THE COMMISSION,

This 13th day of April 2010.


Paul Suskie, Chairman


Colette D. Honorable, Commissioner


Olan W. Reeves, Commissioner


Jan Sanders
Secretary of the Commission