

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF A SHOW CAUSE ORDER)
DIRECTED TO ENTERGY ARKANSAS, INC.)
REGARDING ITS CONTINUED MEMBERSHIP IN)
THE CURRENT ENTERGY SYSTEM) DOCKET NO. 10-011-U
AGREEMENT, OR ANY SUCCESSOR)
AGREEMENT THERETO, AND REGARDING THE)
FUTURE OPERATION AND CONTROL OF ITS)
TRANSMISSION ASSETS)

COMPLIANCE TESTIMONY

OF

TODD HILLMAN

September 30, 2014

Midcontinent Independent System Operator, Inc.
Compliance Testimony of Todd Hillman
APSC Docket No. 10-011-U
September 30, 2014

Q. PLEASE STATE YOUR NAME, EMPLOYER, CURRENT POSITION AND YOUR BUSINESS ADDRESS.

A. My name is Todd Hillman. I am Vice President of External Affairs of the South Region for Midcontinent Independent System Operator, Inc. (“MISO”). My business address is 425 West Capitol Avenue, Suite 3275, Little Rock, AR 72201.

Q. ARE YOU THE SAME TODD HILLMAN THAT HAS PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?

A. Yes.

Q. ON WHOSE BEHALF ARE YOU FILING THIS COMPLIANCE TESTIMONY?

A. I am testifying on behalf of MISO.

Q. WHAT IS THE PURPOSE OF YOUR COMPLIANCE TESTIMONY?

A. The purpose of my testimony is to provide the information directed by the Arkansas Public Service Commission (“Commission”) in Order No. 76 regarding the progress of the integration of Entergy Arkansas, Inc. (“EAI”) into MISO, critical developments in Entergy Corporation and its subsidiaries, including the Entergy Operating Companies¹ (collectively “Entergy”) / MISO-related proceedings pending before the Federal Energy Regulatory Commission (“FERC”) and before Entergy’s other retail regulators, and ongoing compliance with the Commission’s Order No. 68.

¹ The Entergy Operating Companies include EAI; Entergy Gulf States Louisiana, L.L.C.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc.

REGULATORY PROCEEDINGS AND ONGOING COMPLIANCE

Q. HAVE THERE BEEN ANY CRITICAL DEVELOPMENTS BEFORE FERC OR THE ENTERGY OPERATING COMPANIES' RETAIL REGULATORS REGARDING EAI'S INTEGRATION INTO MISO?

A. Yes. On September 12, 2014, MISO filed a "Motion to Withdraw Filings of the Midcontinent Independent System Operator" in FERC Docket ER14-2566-000, *et. al.* (the "ELMP Withdrawal Motion"). The ELMP Withdrawal Motion sought to withdraw a True Up Filing previously submitted on August 1, 2014 in preparation for the October 1, 2014 effective date approved for MISO's Extended Locational Marginal Pricing ("ELMP") Tariff language.

MISO filed the ELMP Withdrawal Motion in response to comments received from MISO's Independent Market Monitor ("IMM") after MISO submitted its True Up Filing. The IMM expressed general support for MISO's objective to create more efficient pricing through ELMP and approved of several specific elements of MISO's ELMP Tariff language, including the inclusion of Fast Start Resources and allowing Demand Response Resources to set price. However, the IMM expressed specific concerns regarding certain design elements of MISO's ELMP proposal relating to the results of parallel operations. MISO decided to withdraw its True Up Filing in order to allow MISO time to refine its ELMP Tariff language so as to respond to the IMM's concerns in a forthcoming filing. In addition to seeking withdrawal of the True Up Filing, the ELMP Withdrawal Motion also sought to postpone the October 1, 2014 approved effective date. The majority of MISO's stakeholders support MISO's efforts to refine its ELMP Tariff language. MISO anticipates making a filing with FERC containing such refinements in the near future. MISO requested that the Commission act on this Motion by September 30, 2014. A copy of the ELMP Withdrawal Motion is available on FERC's website at http://elibrary.ferc.gov/idmws/file_list.asp?document_id=14251097.

Also on September 12, 2014, MISO filed “Request for Extension of Effective Date of Tariff Provisions Relating to ELMP” in FERC Docket No. ER12-668-002, *et. al.* (the “ELMP Postponement Filing”). The ELMP Postponement Filing sought to postpone the effective date of certain ELMP Tariff provisions that had been approved by the Commission in a separate Order and, therefore, would not have been affected by MISO’s ELMP Withdrawal Motion. The ELMP Postponement Filing was made for the same reasons as the ELMP Withdrawal Motion. A copy of the ELMP Postponement Filing is available on FERC’s website at http://elibrary.ferc.gov/idmws/File_list.asp?document_id=14251099.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

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CERTIFICATE OF SERVICE

I, Randall L. Bynum, do hereby certify that I have on this day served, by electronic mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated this 30th day of September, 2014.

/s/ Randall L. Bynum
Randall L. Bynum

Counsel for MISO
Midcontinent Independent System Operator, Inc.