

1 **A.** Appendix G of the CMP, provides an equitable method to adjust allocations when needed
2 due to transmission expansion projects. The core of the allocation adjustment is that: (1)
3 the entity that is not constructing the new facility should not have its present allocations
4 reduced, and (2) to the extent possible, the entity constructing the transmission expansion
5 should receive the benefits, including increased allocations of firm flow entitlements.
6 Although FERC's Order No. 1000 has not yet been implemented, I believe that the
7 existing CMP principles are fully consistent with the new requirements for regional cost
8 allocations. I would also note that FERC, in its Order No. 1000, noted that some RTOs
9 have, through their JOA seams agreements, already addressed many of the new regional
10 planning and cost allocation mandates. MISO believes that regional cost allocation for
11 new transmission projects provides the mechanism for a transmission provider to fund
12 upgrades to another transmission provider's system consistent with the expected benefit
13 to be received from the project.

14 **Q. HOW WOULD THE MARKET-TO-MARKET PROCESS WORK WITH THE**
15 **EXPANDED SEAM THAT WOULD RESULT FROM ENTERGY'S**
16 **INTEGRATION INTO MISO?**

17 **A.** Currently MISO and SPP do not utilize market-to-market practices, mainly due to the fact
18 that SPP has not started its Day 2 Market. MISO believes that market-to-market
19 congestion management could be implemented with the same template of MISO/PJM
20 market-to-market process with respect to forward operation processes, real time
21 coordination and after the fact settlement, as described above. With Entergy's integration
22 with MISO, we forecast significant improvement to market efficiency with respect to
23 effective congestion management and production cost saving with the implementation of

1 market-to-market coordination., due to the extended seams border between MISO and
2 SPP.

3 **I. THE COMMISSION'S DECISION**

4 **Q. IF THE COMMISSION DENIES ENTERGY'S PROPOSED TRANSACTION,**
5 **BUT ONE OR MORE OF THE OTHER ENTERGY OPERATING COMPANIES**
6 **BECOME PARTICIPANTS IN MISO, WHAT WOULD THE EFFECTS BE, IF**
7 **ANY, ON ENTERGY'S RELIABILITY OF SERVICE, AVAILABILITY OF**
8 **SERVICE, AND COST OF SERVICE?**

9 A. I would anticipate that the impacts would be negative because Entergy would not realize
10 all of the benefits of the cost savings, reliability improvements, and transmission
11 infrastructure upgrades that membership in MISO will bring. These negative impacts do
12 not include the additional costs that may be incurred for transactions between Entergy
13 operating companies that are within and those that are outside of MISO.

14 **Q. WHAT CONDITIONS OR LIMITATIONS, IF ANY, SHOULD BE PLACED ON**
15 **THE TRANSFER OF ENTERGY'S TRANSMISSION ASSETS TO THE MISO**
16 **RTO TO ENSURE THAT A TRANSFER, IF APPROVED, PROCEEDS IN AN**
17 **APPROPRIATE MANNER?**

18 A. Entergy's Application does not propose any conditions to approval of the transfer of
19 control to MISO. To the extent other docket participants propose conditions, MISO will
20 respond in its rebuttal testimony.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**


2 **A. Yes.**

3

VERIFICATION


STATE OF INDIANA §
 §
COUNTY OF HAMILTON §

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, RICHARD DOYING, who after being by me first duly sworn stated that he is Vice President of Operations for the Midwest Independent Transmission System Operator, Inc. and that as such is fully authorized to make this affidavit; and further stated that the matters and things contained in the foregoing direct Testimony are true, accurate, and correct as therein set forth to the best of his knowledge, information, and belief.



RICHARD DOYING
Vice President of Operations
Midwest Independent Transmission
System Operator, Inc.

SWORN TO AND SUBSCRIBED before me, this the 5th day of July, 2012.



NOTARY PUBLIC

My Commission expires:

11/27/2017

