

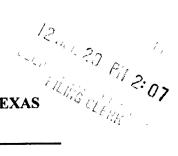
Control Number: 40346



Item Number: 312

Addendum StartPage: 0

SOAH DOCKET NO. 473-12-6206 PUC DOCKET NO. 40346



BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF ENTERGY TEXAS, INC.
FOR APPROVAL TO TRANSFER OPERATIONAL CONTROL OF
ITS TRANSMISSION ASSETS TO THE MISO RTO

CROSS-REBUTTAL TESTIMONY OF R. WAYNE SCHUG

ON BEHALF OF MISO

JULY 20, 2012

CROSS-REBUTTAL TESTIMONY OF 1 R. WAYNE SCHUG 2 July 20, 2012 3 4 5 Q. PLEASE STATE YOUR NAME, EMPLOYER, CURRENT POSITION AND YOUR BUSINESS ADDRESS. 6 7 8 A. My name is R. Wayne Schug. I am the Executive Director Stakeholder Engagement and 9 Strategic Planning for the Midwest Independent Transmission System Operator, Inc. ("MISO"). My business address is 720 City Center Drive, Carmel, Indiana 46032. 10 11 Q. ARE YOU THE SAME R. WAYNE SCHUG WHO PREVIOUSLY TESTIFIED 12 ON BEHALF OF MISO IN THIS DOCKET? 13 Yes. 14 A. WHAT IS THE PURPOSE OF YOUR CROSS-REBUTTAL TESTIMONY IN 15 Q. 16 THIS PROCEEDING? 17 18 A. The purpose of my cross-rebuttal testimony is to address specific issues raised in the 19 direct testimony of other intervenors in this docket, particularly as those issues relate to 20 the value to members of joining MISO. Q. HAVE YOU REVIEWED MR. DAUPHINAIS' TESTIMONY REGARDING 21 **RECOMMENDED** 22 CONDITIONS TO APPROVAL **OF ENTERGY'S APPLICATION?** 23 24 Yes. 25 A. 26 AS TO CONDITIONS MR. DAUPHINAIS PROPOSES BE IMPOSED ON ETI, Q. WILL MISO COOPERATE WITH ETI TO MEET THE CONDITIONS, IF ANY, 27 28 THE COMMISSION ADOPTS? 29

Q. DO YOU ANTICIPATE A SIGNIFICANT DROP IN THE BENEFITS TO ENTERGY FROM MISO MEMBERSHIP AFTER 2017 WHEN THE FIVE-YEAR

TRANSMISSION COST ALLOCATION TRANSITION PERIOD ENDS? (J.

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A.

Q.

Yes.

Dauphinais, p. 7)

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A. No. The details, rationale, and application of the transmission cost allocation transition plan, including what occurs after the five-year transition plan, are discussed in detail in the Direct Testimony of Jennifer Curran. As discussed in MISO's Transition Cost Allocation plan, the MISO planning process seeks to align costs and benefits in a way that would only assign costs to the Entergy Region if there are associated benefits. Based on the components of the MISO Value Proposition annual analysis taken into account, I do not anticipate any drop off of benefits to Entergy from MISO membership after 2017.

9 Q. SHOULD THE POTENTIAL IMPACT OF EPA RULES NEGATIVELY IMPACT 10 THE COMMISSION'S CONSIDERATION OF ENTERGY'S APPLICATION?

No. The potential impact of the EPA rules, however, underscores the importance of having Entergy join MISO. MISO's existing Day 2 markets will allow Entergy to benefit from the economies of scale and help buffer the effects of the impact associated with EPA regulations. All RTOs will be impacted by EPA regulations, however those regulations are enforced. The common and collective cause of entities responding to the anticipated consequences associated with EPA regulations is a reason regional entities work together to weigh in on the policy and other considerations associated with passage and enforcement of EPA regulations. In fact, MISO, SPP and others on the ISO/RTO Council have joined forces in support of appeals to lessen the impact and reliability concerns associated with EPA regulations. Clearly, those regulations do not have an isolated or unique impact on any single RTO.

23 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

24 A. Yes.

A.

VERIFICATION

STATE OF INDIANA
COUNTY OF HAMILTON

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, R. WAYNE SCHUG, who after being by me first duly sworn stated that he is the Executive Director Stakeholder Engagement and Strategic Planning 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 rebuttal Testimony are true, accurate, and correct as therein set forth to the best of his knowledge, information, and belief.

R. WAYNE SCHUG

Executive Director Stakeholder Engagement

and Strategic Planning

Midwest Independent Transmission

System Operator, Inc.

SWORN TO AND SUBSCRIBED before me, this the day

2012

NOTARY PUBLIC

My Commission expires:

11/37/3017

RHIANNON SHELLEY

Notary Public-Indiana

Resident of Clinton County

My Commission Expires Nov. 27, 2017