



Control Number: 40346



Item Number: 312

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**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

12 JUL 20 PM 2:07
FILED
FILING CLERK

**CROSS-REBUTTAL TESTIMONY OF
R. WAYNE SCHUG
July 20, 2012**

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

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.
10 ("MISO"). My business address is 720 City Center Drive, Carmel, Indiana 46032.

11 **Q. ARE YOU THE SAME R. WAYNE SCHUG WHO PREVIOUSLY TESTIFIED**
12 **ON BEHALF OF MISO IN THIS DOCKET?**

13
14 A. Yes.

15 **Q. WHAT IS THE PURPOSE OF YOUR CROSS-REBUTTAL TESTIMONY IN**
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.

21 **Q. HAVE YOU REVIEWED MR. DAUPHINAIS' TESTIMONY REGARDING**
22 **RECOMMENDED CONDITIONS TO APPROVAL OF ENTERGY'S**
23 **APPLICATION?**

24
25 A. Yes.

26 **Q. AS TO CONDITIONS MR. DAUPHINAIS PROPOSES BE IMPOSED ON ETI,**
27 **WILL MISO COOPERATE WITH ETI TO MEET THE CONDITIONS, IF ANY,**
28 **THE COMMISSION ADOPTS?**

29
30 A. Yes.

31 **Q. DO YOU ANTICIPATE A SIGNIFICANT DROP IN THE BENEFITS TO**
32 **ENTERGY FROM MISO MEMBERSHIP AFTER 2017 WHEN THE FIVE-YEAR**
33 **TRANSMISSION COST ALLOCATION TRANSITION PERIOD ENDS? (J.**
34 **Dauphinais, p. 7)**
35

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

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

11
12 A. No. The potential impact of the EPA rules, however, underscores the importance of
13 having Entergy join MISO. MISO's existing Day 2 markets will allow Entergy to benefit
14 from the economies of scale and help buffer the effects of the impact associated with
15 EPA regulations. All RTOs will be impacted by EPA regulations, however those
16 regulations are enforced. The common and collective cause of entities responding to the
17 anticipated consequences associated with EPA regulations is a reason regional entities
18 work together to weigh in on the policy and other considerations associated with passage
19 and enforcement of EPA regulations. In fact, MISO, SPP and others on the ISO/RTO
20 Council have joined forces in support of appeals to lessen the impact and reliability
21 concerns associated with EPA regulations. Clearly, those regulations do not have an
22 isolated or unique impact on any single RTO.

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

24 A. Yes.

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

R. WAYNE SCHUG
Executive Director Stakeholder Engagement
and Strategic Planning
Midwest Independent Transmission
System Operator, Inc.

SWORN TO AND SUBSCRIBED before me, this the 19th day of July, 2012.

Rhiannon OnShelley
NOTARY PUBLIC

My Commission expires:

11/27/2017

