

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Southwest Power Pool, Inc.) Docket No. ER12-1179-000
ER12-1179-001

**REPLY OF SOUTHWEST POWER POOL, INC. TO BASIN ELECTRIC POWER
COOPERATIVE, INC., ET AL., ANSWER**

Southwest Power Pool, Inc. (“SPP”) hereby responds to the answer of Basin Electric Power Cooperative, Inc., Tri-State Generation and Transmission Association, Inc., and Rushmore Electric Power Cooperative, Inc. (collectively, “Cooperatives”) filed on June 21.¹ The Cooperatives seek a delay in all procedural dates established by the Commission in its June 6, 2013 order establishing settlement judge procedures.² The Commission should deny the relief that the Cooperatives’ seek because it would jeopardize the ability of the Commission to act in this matter in time for SPP to implement the Auction Revenue Rights (“ARR”) allocation process this fall as required by its Integrated Marketplace.

In the June 6 Order, the Commission specifically recognized that the issues concerning OPPD’s grandfathered agreements (“GFAs”) “must be resolved prior to the start of the Integrated Marketplace initial ARR allocation and [Transmission Congestion

¹ Answer of Basin Electric Power Cooperative, Inc., Tri-State Generation and Transmission Association, Inc., and Rushmore Electric Power Cooperative, Inc. to the Motion to Expand the Scope of Settlement Proceeding, Request for Shortened Answer Period, and Request for Expedited Ruling of Southwest Power Pool, Inc., Docket Nos. ER12-1179-000 and -001 (June 21, 2013) (“Cooperatives Answer”).

² *Sw. Power Pool, Inc.*, 143 FERC ¶ 61,219 (2013) (“June 6 Order”).

Rights (“TCR”)] process, scheduled to commence October 28, 2013.”³ Accordingly, the Commission directed that the settlement proceeding would run only until August 1, 2013, and further directed that, if the parties were unable to reach a resolution by that date, then SPP should submit a proposal by August 8 to address the unresolved GFA issues.”⁴

SPP has moved to expand the scope of the settlement judge proceeding to include other protesting parties with GFAs so that it can attempt to resolve *all* GFA issues in the settlement proceeding and, if issues remain on August 1, be in a position to file a proposal addressing all remaining GFA issues. Just as the OPPD GFA issues “must be resolved” prior to the ARR allocation process this fall, the other remaining GFA issues also “must be resolved” in time for the ARR allocation process.⁵

The Cooperatives’ request to extend all deadlines established in the June 6 Order by thirty days⁶ is incompatible with the schedule the Commission has established for itself to enable the Commission timely to address remaining GFA issues. An extension of the Commission-established deadlines will leave insufficient time for the Commission to act, if necessary, on any reported settlement or to approve, if necessary, any SPP submission prior to the start of the initial ARR allocations this fall. By September 18, 2013, market participants must input into OASIS any transmission service they want included in the process as candidate ARRs. SPP verifies this data by October 31, 2013, and the ARR allocation process commences on November 1, 2013. Resolution of all remaining disputes over GFAs, whether by Commission action on reported settlements

³ June 6 Order at P 17.

⁴ *Id.* at P 21.

⁵ *Id.*

⁶ Cooperatives Answer at 2.

(which could face protests from others) or Commission approval of an SPP-filed proposal, must occur before the ARR allocation process starts. Extending the date of SPP's filing to September 8, as the Cooperatives propose, would leave little time for the Commission to be able to act on a contested filing before the November 1 ARR allocation process commences.⁷

While SPP has no objection to continuing to engage in settlement discussions with *individual* parties concerning unresolved issues after August 1 *and while any SPP-filed proposal is pending*, the Commission should not extend the currently-established settlement proceeding schedule, including the time for filing *and acting upon* any SPP submission that may become necessary, jeopardizing the Commission's ability to timely address remaining GFA issues before the ARR allocations this fall.

Respectfully submitted,

/s/ Barry Spector

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⁷ A September 8 filing would be only seven weeks before the allocation process commences, and any Commission order must be issued sufficiently in advance of the allocation process to enable SPP to incorporate the Commission's decision into the process. The currently-established August 8 filing date, in contrast, enables the Commission to act 60 days later on October 7, three weeks before November 1.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 24th day of June, 2013.

/s/ Jeffrey G. DiSciullo

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