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

North American Electric Reliability)
Corporation) Docket No. RR18-__-000

**JOINT PETITION OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION, MIDWEST
RELIABILITY ORGANIZATION, AND SERC RELIABILITY CORPORATION
FOR APPROVALS IN CONNECTION WITH THE DISSOLUTION OF THE
SOUTHWEST POWER POOL REGIONAL ENTITY**

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TABLE OF CONTENTS

I. INTRODUCTION 1

II. REQUEST FOR EXPEDITED COMMISSION ACTION AND SHORTENED COMMENT PERIOD 2

III. EXECUTIVE SUMMARY 3

IV. NOTICES AND COMMUNICATIONS 6

V. TERMINATION AGREEMENT FOR THE RDA BETWEEN NERC AND SPP 7

VI. RATIONALE AND PROCESS FOR TRANSFER OF SPP RE REGISTERED ENTITIES
11

 a. Commission Precedent and Section 1208 of the NERC ROP Guided NERC’s Proposed Transfer of SPP RE Registered Entities between MRO and SERC 11

 b. Transmission Corridor Analysis for SPP RE Registered Entities Bordering MRO or SERC..... 13

VII. BUDGET, COMPLIANCE AND ENFORCEMENT TRANSFER ANALYSIS 15

 a. MRO and SERC Budget and Resource Ramifications of the Transfers 16

 b. Compliance Monitoring and Enforcement Ramifications of the Transfers 18

VIII. NERC CONDUCTED AN EXTENSIVE AND ITERATIVE PROCESS TO ALLOW SPP RE REGISTERED ENTITIES NUMEROUS OPPORTUNITIES FOR INPUT AND CLARIFICATION REGARDING NERC’S PROPOSED TRANSFERS 19

IX. AMENDMENTS TO REGIONAL DELEGATION AGREEMENTS WITH MRO AND SERC..... 21

X. AUTOMATIC TERMINATION OF THE SERC AND SPP RE COMPLIANCE MONITORING AND ENFORCEMENT AGREEMENT 22

XI. CONCLUSION..... 22

- Attachment 1** Termination Agreement for the Amended and Restated Delegation Agreement between the North American Electric Reliability Corporation and Southwest Power Pool, Inc.
- Attachment 2** SPP RE Registered Entity Proposed Transfers
- Attachment 3A** CLEAN – Revised Exhibit A to Regional Delegation Agreement with Midwest Reliability Organization
- Attachment 3B** REDLINE – Revised Exhibit A to Regional Delegation Agreement with Midwest Reliability Organization
- Attachment 4A** CLEAN – Revised Exhibit A to Regional Delegation Agreement with SERC Reliability Corporation
- Attachment 4B** REDLINE – Revised Exhibit A to Regional Delegation Agreement with SERC Reliability Corporation
- Attachment 5** Consideration of Comments in Response to December 15, 2017 Posting
- Attachment 6** Transmission Corridor Analysis

- (3) amendments to Exhibit A⁴ to the RDAs between NERC and MRO (**Attachments 3A** and **3B**) and between NERC and SERC (**Attachments 4A** and **4B**) to reflect the changed geographic footprints of MRO and SERC resulting from the transfer of registered entities from SPP RE to MRO and SERC.

II. REQUEST FOR EXPEDITED COMMISSION ACTION AND SHORTENED COMMENT PERIOD

The Petitioners respectfully request that the Commission consider this Petition on an expedited basis, to allow the issuance of an order in this proceeding within 60 days of the date of this filing. The Petitioners also request that the Commission establish a shortened comment period of no more than 14 days.

The requested timeline is important to allow an orderly transition of registered entities from SPP RE to MRO and SERC, with minimal disruption to all of the parties involved. The Commission's order in this proceeding will provide the certainty that is needed for the Petitioners and SPP RE to complete the transition activities. To minimize disruption to registered entities in SPP RE, the Petitioners and SPP RE have engaged in preliminary activities involving the transfer of files, documents and other information necessary for MRO and SERC to assume the Delegated Authority⁵ for SPP RE's registered entities by July 1, 2018, as further discussed herein. Completion of these activities, however, requires Commission approval of the requests in this Petition with sufficient time for additional training and outreach to registered entities, particularly those that will be adopting new information technology and software platforms to communicate information to MRO and SERC. An expedited review of this Petition will also enable the Petitioners to effectuate the wind-down of operations by SPP RE as well as the ramp up by MRO and SERC in an organized fashion.

⁴ No other portion of the NERC-MRO RDA and the NERC-SERC RDA is being amended.

⁵ This term is defined in the RDA between NERC and SPP to include the authority to propose and enforce Reliability Standards and to undertake related activities set forth in the RDA.

As further described in this Petition, a shortened comment period is warranted because the process leading to the dissolution of SPP RE involved frequent and significant consultation between NERC and the SPP RE registered entities as well as between NERC and the affected Regional Entities. As a result of these extensive communications between NERC and these entities, NERC has received significant input regarding the proposed transfers of registered entities, the process and rationale adopted by NERC regarding the proposed transfers, as well as recommendations for process improvements, mitigating the need for a longer comment period.⁶

III. EXECUTIVE SUMMARY

In July 2017, NERC and SPP mutually agreed to terminate the NERC-SPP RDA, and therefore, SPP RE's role as a NERC Regional Entity. As part of this transition, consistent with Section 12(c) of the RDA and Section 501 of the NERC Rules of Procedure ("ROP"), NERC must ensure the continuity of registration of owners, operators and users of the Bulk-Power System ("BPS") within geographic or electrical boundaries of a Regional Entity in the event that no entity is functioning as a Regional Entity for a given boundary. NERC and SPP have worked and are continuing to work together on the transition of SPP RE's Delegated Authority. The Petitioners request that the transfers of registered entities currently in the SPP RE footprint to MRO and SERC become effective as of July 1, 2018. In addition, NERC requests that the termination of the NERC-SPP RDA and SPP RE's role as a Regional Entity become effective as of August 31, 2018 to allow for additional wind-down activities to be performed, including the transfer of files, documents, and other accounting related matters.

Commission approval of the following actions is requested in this Petition: (1) the termination of the NERC-SPP RDA pursuant to the terms of a Termination Agreement; (2) the

⁶ The iterative process and the input received are discussed in Section VIII of the Petition.

proposed transfers of the registration of entities in the SPP RE footprint to MRO and SERC; and (3) amendments to Exhibit A to the RDAs of MRO and SERC (the transferee Regional Entities) to reflect revised illustrative boundary descriptions consistent with the proposed transfers of registered entities to MRO and SERC.⁷ On February 8, 2018, the NERC Board of Trustees (“Board”) considered and approved these actions during an open meeting. As part of its deliberative process, the Board posed a number of questions to NERC staff, including questions about the communications with SPP RE registered entities as well as how NERC staff sought stakeholder feedback on the proposed transfers. Ultimately, the NERC Board authorized the following: (i) NERC’s Chief Executive Officer and General Counsel to execute and deliver the Termination Agreement, and (ii) NERC management to make appropriate filings with the Commission as well as to take any further actions, including additional filings, necessary to effectuate the termination of the NERC-SPP RDA and the dissolution and wind-down of the SPP RE. The NERC Board also approved the proposed transfers of registered entities in the SPP RE footprint to MRO and SERC and the revised RDAs between NERC and MRO and NERC and SERC. The revised RDAs with MRO and SERC were also approved by their respective boards.

Assuming the Commission approves the above requests, NERC will submit a separate filing proposing any necessary amendments to the NERC ROP and corporate governance documents to reflect and implement the substance of the Commission’s decision. During the transition, NERC will continue to engage SPP, SPP RE, MRO and SERC to ensure an orderly transfer of compliance monitoring and enforcement activities over to the transferred registered entities to MRO and SERC.⁸

⁷ The boundaries depicted in the various RDAs are illustrative. The scope of each Regional Entity’s jurisdiction is provided for in the NERC Compliance Registry.

⁸ As explained in this Petition, for the two year period following termination of the NERC-SPP RDA, NERC will act as the Compliance Enforcement Authority for SPP.

Based on the information available to date from SPP, SPP RE, MRO and SERC, NERC does not foresee a need for supplemental assessments or other additional funding for SPP to fund the winding down of the SPP RE. Furthermore, NERC does not foresee a need for supplemental assessments or other additional funding for MRO or SERC to accept the responsibilities associated with increased numbers of registered entities within their footprints by July 1, 2018. At this time, SPP RE, MRO and SERC believe that any expenses in 2018 will be funded using the statutory assessment revenues previously approved by the Commission and/or working capital and operating reserves, and if needed MRO's and SERC's respective lines of credit. NERC will continue to collect assessments in 2018 based on the Commission-approved 2018 budget, with any surplus funds not necessary for SPP RE delegated activities or wind-down activities being distributed to MRO and SERC based on the Net Energy for Load ("NEL") allocated to each Regional Entity. Pursuant to the Termination Agreement, NERC will receive a true-up of actual and budgeted expenses from SPP 120 days after the Termination Effective Date. NERC will submit to FERC, the true-up filings for NERC and all Regional Entities (including SPP RE, MRO, and SERC), showing a reconciliation of budgeted to actual expenditures for the 2018 Commission-approved budgets. Budgetary and assessment impacts, due to the increased responsibilities and resource requirements for MRO and SERC in 2019, will be reflected in the 2019 Business Plan and Budget process.

IV. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:⁹

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⁹ The Petitioners respectfully request a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203 (2017), to allow the inclusion of more than two persons on the service list in this proceeding.

V. TERMINATION AGREEMENT FOR THE RDA BETWEEN NERC AND SPP

SPP announced its decision to dissolve the SPP RE function as stemming from (1) the diverging footprints of the SPP RE and SPP RTO and (2) the strategic decision to focus on core registered entity functions of reliability coordination, markets and transmission planning.¹⁰ As a result of this decision, SPP and the Petitioners are working to ensure that the wind-down of the SPP RE and the transfer of the SPP RE registered entities and Delegated Authority are performed in a manner that maintains reliability and enhances the efficiency of the ERO Enterprise. The Termination Agreement described below was carefully crafted to effectuate the termination of the NERC-SPP RDA and set forth the obligations of SPP and NERC in support of an orderly transition that achieves these goals. As such, the Commission should approve the Termination Agreement as proposed herein.

Sections 12(a)-(b) of the NERC-SPP RDA provide that the term of the RDA runs from January 1, 2016 through December 31, 2020. The NERC-SPP RDA allows the parties to terminate prior to the expiration of the then effective term, so long as such a date is mutually agreed to by the parties. NERC and SPP have agreed that, subject to Commission approval and in accordance with the terms of the Termination Agreement, the NERC-SPP RDA should be terminated, and SPP RE should cease to act as a Regional Entity, on August 31, 2018 (the “Termination Effective Date”).¹¹

Consistent with Sections 12(c(d) of the RDA, the proposed Termination Agreement memorializes and guides the wind-down of SPP RE’s Delegated Authority and the transfer of such

¹⁰ See <https://www.spp.org/about-us/newsroom/southwest-power-pool-to-dissolve-regional-entity-focus-on-regional-transmission-organization-functions/>.

¹¹ On July 23, 2017, SPP’s board of directors and members committee voted to authorize SPP’s President and Chief Executive Officer to terminate the NERC-SPP RDA at the appropriate time. The SPP RE Trustees approved a resolution on July 24, 2017 endorsing the decision.

Delegated Authority to MRO and SERC for its registered entities. The proposed Termination Agreement requires NERC to carry out the following obligations, among others (*see* Sections 4 and 6 of the Termination Agreement):

- (1) identify a transferee Regional Entity for each registered entity in the SPP RE footprint;
- (2) identify the Load-Serving Entities (“LSEs”) associated with each SPP RE registered entity for statutory assessment purposes;
- (3) assist in the transition of compliance monitoring and enforcement processes to each transferee Regional Entity;
- (4) coordinate with SPP to ensure the disconnection of information technology interfaces between NERC and SPP and its employees and contractors with associated Regional Entity responsibilities;
- (5) provide a limited indemnification of SPP; and,
- (6) submit applicable agreements, governance materials, and other corporate documents necessary to effectuate the termination of the NERC-SPP RDA to the Commission for approval both prior to and after the Termination Effective Date.

As of the date of this Petition, NERC has completed the first two obligations. The NERC Board approved MRO and SERC as the transferee Regional Entities. NERC has also identified the LSEs in the SPP RE footprint associated with each registered entity being transferred to MRO or SERC.¹² Completion of the remaining obligations are contingent upon the issuance of an order by the Commission approving the requests in this Petition.

Per Sections 6 and 7 of the Termination Agreement, SPP represents and warrants that there are no known or pending claims against SPP or SPP RE in connection with SPP’s performance of its Delegated Authority. NERC, in turn, will indemnify SPP for claims and liabilities to third

¹² As discussed below, NERC will continue to collect assessments in 2018 as contemplated in the 2018 Commission–approved budget. Any assessment monies not used for delegated activities by SPP RE or for the wind-down of SPP RE will be transferred to MRO and SERC. Beginning with the 2019 Business Plan and Budget process, the statutory assessments for MRO and SERC will reflect a NEL-based allocation which will include the LSEs associated with the registered entities transferred from SPP RE.

parties for costs and obligations incurred in connection with SPP's performance of its Delegated Authority and delegation-related activities. This indemnification is limited as follows: (1) it is available only to the extent that claims and liabilities cannot be covered by SPP's remaining statutory assessment funding collected as of the Termination Effective Date; and (2) it is not applicable to third-party claims related to (i) violations of the NERC ROP, (ii) violations of the NERC-SPP RDA or the Termination Agreement, (iii) gross negligence or intentional misconduct by SPP, (iv) claims by former SPP RE employees or SPP RE vendors who become employed or engaged by SPP within 90 days of the Termination Effective Date, or (v) any other claim that is asserted more than five years after the Termination Effective Date. This limited indemnification helps to ensure that costs resulting from claims and liabilities that would have been borne by SPP RE without the dissolution, would not be transferred to members of SPP. SPP warrants, however, that no such claims and liabilities are known to exist today.

The proposed Termination Agreement requires SPP to carry out the following obligations:

- (1) transition relevant files and documents pertaining to SPP RE's Delegated Authority and delegation-related activities to the transferee Regional Entities;
- (2) submit to NERC a description of the re-allocation of monies from SPP RE's Commission-approved 2018 statutory budget towards the costs for the wind-down and dissolution of the SPP RE and the transfer of the SPP RE Delegated Authority and delegation-related activities;
- (3) submit to NERC unaudited quarterly financial reports for all quarters leading up to and including the Termination Effective Date;¹³
- (4) submit to NERC audited financial statements of SPP for the calendar year in which termination takes place within 120 days following the end of the calendar year in which the termination takes place;
- (5) submit to NERC a reconciliation of actual expenses with budgeted expenses for 2018 within 120 days following the Termination Effective Date; and,

¹³ NERC will continue to provide the unaudited quarterly financial reports to the Commission and post them on its web site, along with the unaudited quarterly financial reports of NERC and the other Regional Entities, consistent with longstanding practice.

- (6) transfer to the transferee Regional Entities any Penalty payments, excess statutory assessment collections and reserves related to SPP RE that will not be used for wind-down of operations and dissolution of the SPP RE Delegated Authority and delegation-related activities.

SPP will provide NERC with a description of re-allocated funds for its wind-down of operations and dissolution activities and update this information, as requested by NERC. SPP anticipates that it can address transitional and wind-down costs using its approved 2018 statutory assessment funding, including (as discussed elsewhere in this Petition) using penalty payments. NERC has reviewed SPP's current analysis and plan for wind-down costs and believes it is feasible and achievable that SPP can fund its wind-down costs, while continuing to carry out its Regional Entity responsibilities until the Termination Effective Date, using current funding sources without the need for a supplemental assessment.

Following the Termination Effective Date, any funds representing an excess of statutory assessments collected over statutory expenditures and reserves will be transferred to MRO and SERC. The allocation of these unused statutory assessment funds between MRO and SERC is to be done on the basis of the relative NEL, for the calendar year preceding the Termination Effective Date, of the LSEs associated with the registered entities being transferred to each of MRO and SERC (unless the Commission directs that a different allocation method be used). Per the Termination Agreement, any penalty payments that have been collected by the SPP RE between June 30, 2017 and the Termination Effective Date, and not approved for use to pay for costs of the wind-down and dissolution of the SPP RE, shall be transferred to MRO and SERC using an allocation of NEL for the calendar year preceding the Termination Effective Date. To the extent required, NERC hereby requests the Commission's express approval to deviate from the application of such penalties as specified in Rule 1107 of the NERC ROP and the *NERC Policy*

Regarding the Use of Penalty Collections in order to allow for the SPP RE to apply any penalty funds to its wind-down activities, consistent with the Termination Agreement as well as to transfer any remaining unused penalty collections to MRO and SERC, as described above.

Budgetary and assessment impacts will be reflected in the following: (1) unaudited quarterly financial statements for all quarters leading up to and including the Termination Effective Date, (2) a reconciliation of budgeted to actual expenditures for the 2018 SPP RE, MRO and SERC Commission-approved budgets,¹⁴ and ultimately, (3) the respective 2019 Business Plans and Budgets for MRO and SERC which will be filed by NERC on or around August 24, 2018.

VI. RATIONALE AND PROCESS FOR TRANSFER OF SPP RE REGISTERED ENTITIES

a. Commission Precedent and Section 1208 of the NERC ROP Guided NERC's Proposed Transfer of SPP RE Registered Entities between MRO and SERC

The NERC ROP does not contain specific criteria for the transfer of multiple registered entity to one or more Regional Entities in the event of a Regional Entity dissolution. In proposing the revised boundaries to MRO and SERC, based on the transfer of specific SPP RE registered entities, NERC was informed by the criteria in Section 1208 of the NERC ROP. The criteria in Section 1208 of the NERC ROP call for evaluation of the following:

- (1) the location of the registered entity's BPS facilities in relation to the geographic and electrical boundaries of the transferee Regional Entity;
- (2) the impact of the proposed transfer on other BPS owners, operators, and users, including affected Reliability Coordinators ("RCs"), Balancing Authorities ("BAs"), and Transmission Operators ("TOPs"), as appropriate;
- (3) the impact of the proposed transfer on the current and future staffing, resources, budgets and assessments to other LSEs of the transferee Regional Entity;

¹⁴ Pursuant to the Termination Agreement, NERC will receive, from SPP, a true-up of actual and budgeted expenses for 2018 120 days after the Termination Effective Date. NERC will file with FERC, in the normal course, the true-up filings for 2018 for NERC and all of the Regional Entities.

- (4) the sufficiency of the proposed transferee Regional Entity’s staffing and resources to perform compliance monitoring and enforcement activities with respect to the registered entity being transferred;
- (5) the registered entity’s compliance history with its current Regional Entity; and the manner in which pending compliance monitoring and enforcement matters concerning the registered entity would be transitioned from its current Regional Entity to the transferee Regional Entity; and,
- (6) any other reasons NERC and the transferee Regional Entity consider relevant.

NERC’s proposed allocation of the SPP RE registered entities is consistent with the Commission’s guidance on transfers of registered entities within the ERO Enterprise. The Commission noted that a Regional Entity’s boundary change “should be carefully considered and should serve to improve the effectiveness or efficiency of the Regional Entities’ and NERC’s administration of reliability, and should not merely benefit an individual registered entity.”¹⁵ Additionally, the Commission also noted that NERC may consider whether a transfer will improve the registered entity’s contribution to BPS reliability.¹⁶

The Commission also noted that the financial impacts of a transfer are not the determinative factor in a transfer decision,¹⁷ and, as the ERO, NERC is responsible for promoting consistency of treatment of registered entities between the Regional Entities.¹⁸ This emphasis on consistency is intended to ensure that registered entities have no need to shop for a favorable Regional Entity

¹⁵ *Order Conditionally Approving Revised Pro Forma Delegation Agreement, Revised Delegation Agreements with Regional Entities, Amendments to Rules of Procedure and Certain Regional Entity Bylaws*, 133 FERC ¶ 61,061 (2010) at P 72 (“October 2010 Order”). See also *Order Denying Rehearing*, 134 FERC ¶ 61,179 (2011) at P 15 (“March 2011 Order”).

¹⁶ March 2011 Order at P 10.

¹⁷ March 2011 Order at P 8.

¹⁸ October 2010 Order at P 73.

because the authority delegated to the Regional Entities will be applied in the same way among the [Regional Entities].”¹⁹

As outlined below and in **Attachment 6**, NERC’s proposed allocation of the SPP RE registered entities between MRO and SERC is consistent with Section 1208 of the NERC ROP and Commission precedent. NERC determined that the effectiveness and efficiency of the ERO Enterprise’s administration of reliability would best be served by placing transmission paths within common Regional Entity boundaries. This allows for enhanced regional planning coordination and promotes efficient and reliable system operations between registered entities. Furthermore, recognizing the importance of interactions between reliability functions to ensure the reliable operation of the BES, NERC sought to maintain those relationships within a common Regional Entity footprint. In all instances, NERC considered the RC, BA, TOP and Planning Authority / Planning Coordinator alignment, as well as the physical location of the underlying facilities.

b. Transmission Corridor Analysis for SPP RE Registered Entities Bordering MRO or SERC

NERC began its analysis of which Regional Entities the SPP RE registered entities should be transferred to by examining two factors from Section 1208 of the NERC ROP:

- (1) the location of the registered entity’s BPS facilities in relation to the geographic and electrical boundaries of the transferee Regional Entity; and,
- (2) the impact of the proposed transfer on other BPS owners, operators, and users, including affected RCs, BAs and TOPs, as appropriate.

NERC considered registered entity alignment within a contiguous and interconnected regional boundary to be a critical component of reliability because of the resulting planning and operational synergies. SPP RE has geographic boundaries with four existing Regional Entities -

¹⁹ October 2010 Order at P 73.

WECC, MRO, SERC, and Texas RE. Texas RE and WECC were excluded from the transfer analysis because they are in separate interconnections from the SPP RE.

Per NERC's analysis, NERC determined that placing transmission paths within a common Regional Entity boundary would enhance regional planning coordination and promote efficient and reliable system operations between registered entities. Moreover, recognizing the importance of interactions between reliability functions to ensure the reliable operation of the BES, NERC considered the functional relationships between registered entities. NERC emphasized maintaining relationships within a common Regional Entity footprint to promote the efficient and effective administration of reliability. In all instances, NERC considered the RC, BA, TOP and Planning Authority / Planning Coordinator alignment, as well as the physical location of the underlying facilities of the Transmission Owners ("TO"), Generator Owners ("GOs"), Generator Operators ("GOPs"), Transmission Planners ("TPs") and Distribution Providers ("DPs"). To ensure the continuity of functional alignment with geographic or electrical boundaries, NERC proposed to transfer TOs, GOs, GOPs, TPs and DPs to the same Regional Entity as the related TOP. NERC's proposals align the TOPs with the applicable RCs and BAs to maintain those relationships in the same Regional Entity footprint.

NERC commenced its analysis by reviewing the TOP areas in the SPP RE footprint. This review included an assessment of the geographic and electrical boundaries, including transmission corridors, between existing TOPs in SPP RE, MRO and SERC. Specifically, NERC reviewed the transmission system in Louisiana and the transmission corridors throughout SPP RE. A full discussion of the transmission corridor analysis is provided in **Attachment 6** to this Petition.

The transmission corridor analysis resulted in NERC's transfer proposals which were posted on the NERC website for stakeholder comment on December 1, 2017.²⁰ Comments were originally requested by December 22, 2017. NERC's transfer proposal called for the transfer of 109 SPP RE registered entities to MRO and 14 SPP RE registered entities to SERC, with one registered entity recommended to be registered in both MRO and SERC. The complete list of proposed registered entity transfers to MRO and SERC is provided in **Attachment 2**. On December 15, 2017, NERC posted additional information regarding its proposed transfer of the SPP RE registered entities, but did not change any of its transfer proposals from the December 1, 2017 posting.²¹ NERC did, however, extend the comment period to January 5, 2018 to give stakeholders more time to consider the additional information provided in the December 15 posting.

VII. BUDGET, COMPLIANCE AND ENFORCEMENT TRANSFER ANALYSIS

After NERC's December 1, 2017 posting of its proposed transfers, which proposed that all SPP RE registered entities be transferred to either MRO or SERC, NERC requested that MRO and SERC provide additional information on the following Section 1208 criteria:

- (1) the impact of the proposed transfer on the current and future staffing, resources, budgets and assessments to other LSEs of the transferee Regional Entity;
- (2) the sufficiency of the proposed transferee Regional Entity's staffing and resources to perform compliance monitoring and enforcement activities with respect to the registered entity being transferred to that Regional Entity;

²⁰ NERC, *SPP RE Transition Notice of Proposed Transfer Regional Entities*, (December 1, 2017), available at <http://www.nerc.com/pa/comp/RegistrationNewsDL/SPP%20RE%20-%20Public%20Posting20171130a.pdf>.

²¹ NERC, *SPP RE Transition Additional Information Regarding NERC's Proposed Transferee Regional Entities*, (December 15, 2017), available at <http://www.nerc.com/pa/comp/RegistrationNewsDL/SPP%20RE%20Transition%20Additional%20Information%20Regarding%20NERC's%20Proposed%20Transferee%20Regional%20Entities.pdf>.

- (3) the registered entity's compliance history with SPP RE; and the manner in which pending compliance monitoring and enforcement matters concerning the registered entity would be transitioned from SPP RE to the transferee Regional Entity.

a. MRO and SERC Budget and Resource Ramifications of the Transfers

In response to NERC's request, MRO and SERC indicated that they expect to integrate the transferred SPP RE registered entities with only marginal increases in administrative (indirect) costs to accommodate the additional administrative workload resulting from the increase in registered entities. Regarding additional direct function program resources (e.g., Compliance Monitoring and Enforcement, Reliability Assessment, Event Analysis and Training and Education) required to accommodate the transferred registered entities, MRO intends to add up to 12 Full-Time Equivalent staff members ("FTEs") to accommodate the increased workload by 2019. SERC intends to add up to 4 FTEs by 2019 in order to accommodate the transfer of SPP RE registered entities. For 2018, neither MRO nor SERC anticipate the need for additional assessment funding.

NERC reviewed the plans for additional resources contemplated by the MRO and SERC transition plans and believes that these additional resources will be sufficient to enable MRO and SERC to carry out their additional responsibilities resulting from the transfers of registered entities, beginning in July 2018. The use of existing working capital and operating reserves, as well as MRO's and SERC's respective lines of credit, are the most likely sources to fund 2018 transitional costs. To the extent that either MRO or SERC use reserves as a funding source for the added costs for the transferring SPP RE registered entities, each Regional Entity will develop its own strategy for replenishment of such reserves. Any such strategy, as well as other details of these transition plans, will be documented by each Regional Entity, submitted to NERC, and closely monitored by NERC. Given MRO and SERC's current expectations that no supplemental assessment funding

will be required for 2018 to accommodate the increased responsibilities, NERC does not plan to submit a supplemental filing for Commission for approval of amendments to MRO's and SERC's Commission-approved 2018 budgets. MRO's and SERC's additional resource requirements beyond 2018 will be fully detailed and incorporated in the Business Plan and Budget process.

Based on the information provided by MRO and SERC, NERC conducted an initial evaluation of the impact of the transferring SPP RE registered entities on future Regional Entity assessments to be paid by LSEs for 2019 in MRO and SERC. NERC currently projects that the existing LSEs in MRO will see a decrease in assessments on a per-MWh of NEL basis because the estimated increase in costs and assessments is less than the projected increase in the NEL for MRO resulting from the inclusion in MRO's NEL of the LSEs associated with the transferred registered entities (i.e., the NEL of the LSEs that are located within MRO's proposed revised Regional Entity boundaries). For SERC, the projected percentage increase in costs and assessments in SERC is comparable to the increase in NEL resulting from the inclusion of additional LSEs within the revised SERC boundaries. As a result, existing LSEs in SERC should see little or no impact in 2019 on a per-MWh of NEL basis as a result of the transfer of SPP RE registered entities to SERC. Finally, all SPP LSEs currently paying assessments to SPP RE should see a decrease in assessments for 2019, whether transferred to MRO or SERC.

NERC will continue to monitor and evaluate the plans and progress of MRO, SERC and SPP in executing the transitions and wind-down of Regional Entity activities, using existing approved 2018 assessment funding, reserves, and other funding sources. Should it be subsequently determined that any of the three Regional Entities require a supplemental assessment for 2018, NERC will submit a request for a supplemental assessment for approval to the NERC Board and, if approved, for Commission approval.

b. Compliance Monitoring and Enforcement Ramifications of the Transfers

After reviewing the transition plans and holding discussions with each of the affected Regional Entities, NERC believes that the risk of material gaps in oversight of compliance monitoring and enforcement activities resulting from the transfers of the SPP RE registered entities to MRO and SERC has been sufficiently mitigated. Regarding the transfer of the SPP RE registered entities' compliance history, MRO and SPP RE use the same compliance monitoring and enforcement program ("CMEP") data platform, the web Compliance Data Management System ("webCDMS"), while SERC uses the Compliance Issues Tracking System ("CITS"). SERC plans to migrate SPP RE's webCDMS data into CITS to retain the CMEP data of the registered entities being transferred to SERC. Preliminary activities associated with these transfers are ongoing. In either case, the transfer of the compliance history data will assist in a seamless transition for SPP RE registered entities and provide MRO and SERC with registered entity CMEP history needed for compliance monitoring and enforcement of the transferred registered entities going forward.

MRO and SERC's estimated FTE increases appear to be reasonable and appropriate to accommodate the increased workloads associated with the transfers. The Petitioners will ensure that any previously scheduled audits are performed for appropriate RCs, BAs and TOPs transferring from the SPP RE and will review the audit schedule for other SPP RE registered entities to assess and to identify any areas of risks that would warrant audits in 2018. MRO and SERC will develop annual CMEP Implementation Plans for 2019, including compliance audit and spot check schedules, which will include the transferred registered entities. The compliance audit schedules and coverage will take into account the transferred registered entities' previous audit

histories as well as Inherent Risk Assessments previously prepared by the SPP RE for the transferred registered entities.

Expedited Commission review of this Petition and Commission approval to transfer the registration of SPP RE registered entities on July 1, 2018 will provide SPP and the Petitioners the ability to complete the transfer of files, documents and other information necessary for MRO and SERC to assume CMEP responsibilities for the transferring SPP RE registered entities. NERC will oversee all transition activities to ensure that the statutory obligations of the Regional Entities are met and that there are no gaps in reliability oversight or enforcement during, or as a result of, the transition.

VIII. NERC CONDUCTED AN EXTENSIVE AND ITERATIVE PROCESS TO ALLOW SPP RE REGISTERED ENTITIES NUMEROUS OPPORTUNITIES FOR INPUT AND CLARIFICATION REGARDING NERC'S PROPOSED TRANSFERS

On July 27, 2017, NERC notified the SPP RE registered entities that they could submit a written request to NERC for transfer to another Regional Entity. NERC specified that the registered entity should set forth its reasons for selecting a transferee Regional Entity focusing primarily on two factors under section 1208 of the ROP,²² and indicating whether it had consulted with the transferee Regional Entity as to the appropriateness of the transfer.

On August 25, 2017, and October 27, 2017, NERC staff conducted webinars to provide information regarding the transition process to SPP RE registered entities, including the anticipated timeline for the dissolution of the SPP RE, and the criteria that would inform NERC's decision regarding registered entity transfers. From September 1, 2017, to October 6, 2017, NERC staff

²² The location of the registered entity's Bulk Power System facilities in relation to the geographic and electrical boundaries of the transferee Regional Entity and the impact of the proposed transfer on other Bulk Power System owners, operators, and users, including affected Reliability Coordinators, Balancing Authorities, and Transmission Operators, as appropriate.

distributed, by email, to SPP RE registered entities, a weekly summary of additional questions asked by registered entities about the process during the preceding week, with responses. NERC staff also communicated directly with SPP RE registered entities that contacted NERC with individual questions. By October 31, 2017, NERC received transfer requests spanning five Regional Entities. NERC identified candidate transferee Regional Entities for six SPP RE registered entities who expressed no preference for a transferee Regional Entity. Where NERC's evaluation differed from the registered entity's request, NERC contacted the registered entity and explained NERC's rationale for its evaluation of the appropriate transferee Regional Entity.

As noted above, NERC posted the proposed allocation of registered entities on December 1, 2017. Additional information regarding NERC's rationale was posted on December 15, 2017. In response to its December 1 and December 15, 2017 requests for comments on its proposal for the transfers of the SPP RE registered entities, NERC received 15 sets of comments, including submittals from two trade organizations and a joint registered entity group, representing 10 registered entities. All comments received are summarized in NERC's Consideration of Comments, provided in **Attachment 5**. The majority of commenters supported NERC's proposed reassignment of registered entities in the SPP RE footprint. Several commenters suggested that NERC should enhance the process for its analysis and decision-making for any future proceedings involving large scale registered entity transfers to another Regional Entity. NERC will consider the improvements suggested by stakeholders.

Some commenters also noted that NERC did not consider Regional Entities with experience as lead Regional Entity, under NERC's Coordinated Oversight Program for Multi-Region Registered Entities, to be the transferee Regional Entity for regional transmission organizations. NERC maintains that all Regional Entities in the ERO Enterprise have experience

in applying Reliability Standards across the various functional categories. NERC also considered the fact that RTO boundaries generally span more than one Regional Entity footprint and are not exclusively defined for reliability. Instead, they are often defined based on other factors including business strategies. In contrast, Regional Entity boundaries are defined by functional relationships between entities and consideration for regional risk. In addition to the publicly posted Consideration of Comments, NERC communicated individually with all of the registered entities that expressed a concern with its proposed reallocation.

Finally, in preparation for the NERC Board consideration of this matter, NERC posted, as a package, all of the information referenced above, as well as a background memorandum explaining the specific approvals being sought, the expected timeline, and the process and rationale for the proposed transfers. The NERC Board considered the matter in an open meeting, during which it engaged in a robust discussion regarding NERC staff's recommendation prior to its approval.

IX. AMENDMENTS TO REGIONAL DELEGATION AGREEMENTS WITH MRO AND SERC

To reflect the transfer of the SPP RE registered entities from SPP RE to MRO and SERC, NERC, MRO and SERC propose to amend Exhibit A – Regional Boundaries to the RDAs with MRO and SERC (*see Attachment 3 and Attachment 4*, respectively).²³ The purpose of Exhibit A to the RDAs is to describe the geographic boundaries of a Regional Entity.²⁴ The transfer of 109 SPP RE registered entities to MRO and 14 SPP RE registered entities to SERC expands the

²³ **Attachments 3A** and **3B** are, respectively, clean and redlined versions of the proposed amended versions of the MRO RDA. **Attachments 4A** and **4B** are, respectively, clean and redlined versions of the proposed amended versions of the SERC RDA.

²⁴ The boundaries depicted in the various RDAs are illustrative. The scope of each Regional Entity's jurisdiction is provided for in the NERC Compliance Registry.

boundaries of these two Regional Entities.²⁵ The regional boundary description in Exhibit A is merely an illustration of the geographic areas included in a given Regional Entity. The proposed amended Exhibit A's reflect the transfers in **Attachment 2**. There are no other amendments required to the MRO or SERC RDAs.

X. AUTOMATIC TERMINATION OF THE SERC AND SPP RE COMPLIANCE MONITORING AND ENFORCEMENT AGREEMENT

In 2010, SERC and SPP entered into a compliance monitoring and enforcement agreement pursuant to which SERC assumed responsibility for the Compliance Monitoring and Enforcement Program activities with respect to SPP's registered functions within the SPP RE Region ("SERC-SPP CMEP Agreement").²⁶ By its terms, the SERC-SPP CMEP Agreement automatically renewed on January 1, 2018 and will terminate automatically at the end of the calendar year that SPP ceases to be a Regional Entity, which will be on August 31, 2018. To facilitate the transition from SERC as the CEA for the registered functions of SPP, NERC will act as the CEA for SPP for two years following the termination effective date for the SPP RDA. With the termination of the SERC-SPP CMEP Agreement, SPP, currently registered in MRO, WECC and SERC, will be deregistered in SERC.

XI. CONCLUSION

For the reasons set forth above, the Petitioners respectfully request that the Commission consider this Petition on an expedited basis, to allow the issuance of an order in this proceeding within 60 days of the date of this filing. The Petitioners also request that the Commission establish a shortened comment period of no more than 14 days and approve the (1) termination of the NERC-

²⁵ Please note that one additional registered entity is recommended to be registered in both MRO and SERC.

²⁶ The Commission approved the SERC-SPP CMEP Agreement in *Order Conditionally Accepting Compliance Monitoring and Enforcement Program Agreements and Revised Delegation Agreements, and Ordering Compliance Filing*, 132 FERC ¶ 61,024 (2010).

SPP RDA and the dissolution of the SPP RE pursuant to the terms of the proposed Termination Agreement, including the proposed disposition of penalties collected by SPP after July 1, 2017, (2) the proposed transfers of SPP RE registered entities to MRO and SERC, and (3) the proposed amendments to Exhibit A to the NERC-MRO and NERC-SERC RDAs to reflect the corresponding regional boundary changes.

Respectfully submitted,

/s/ Nina H. Jenkins-Johnston

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Date: March 5, 2018

Counsel for the SERC Reliability Corporation

ATTACHMENT 1

**Termination Agreement for the Amended and Restated
Delegation Agreement between the North American Electric
Reliability Corporation and Southwest Power Pool, Inc.**

**TERMINATION AGREEMENT FOR THE
AMENDED AND RESTATED DELEGATION AGREEMENT
BETWEEN THE
NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION
AND SOUTHWEST POWER POOL, INC.**

THIS AGREEMENT (“Termination Agreement”) is made effective as of the date on which Federal Energy Regulatory Commission (the “Commission”) approval of this Termination Agreement becomes effective (such date, the “Effective Date”), between the North American Electric Reliability Corporation (“NERC”) and Southwest Power Pool, Inc. (“SPP”). NERC and SPP are sometimes referred to in this Termination Agreement as the “Parties.” This Termination Agreement is intended to provide for the following: (i) an orderly and organized termination of the *Amended and Restated Delegation Agreement between North American Electric Reliability Corporation and Southwest Power Pool, Inc.* (“RDA”) entered into on January 1, 2016, and the responsibilities and obligations of NERC and SPP thereunder, (ii) an orderly and organized wind-down and dissolution of the activities of the Southwest Power Pool Regional Entity (“SPP RE”) division of SPP, and, (iii) an orderly and seamless transition of SPP’s Delegated Authority, responsibilities and activities as a Regional Entity set forth in the RDA (the “SPP RE Delegated Authority”) to one or more successor Regional Entities for the region described in Exhibit A to the RDA (the “SPP Region”) (such successor Regional Entities are referred to herein as “Transferee Regional Entity(ies)”). Capitalized terms used in this Termination Agreement that are not separately defined herein shall have the same meanings as in the RDA or, if not defined in the RDA, shall have the meanings defined in Appendix 2, *Definitions Used in the Rules of Procedure*, of the NERC Rules of Procedure.

RECITALS

- I. NERC and SPP entered into the RDA, effective as of January 1, 2016, wherein NERC and SPP agreed that SPP would carry out Delegated Authority and delegation-related activities in furtherance of NERC's responsibilities as the Electric Reliability Organization ("ERO") under Subtitle A of the Electricity Modernization Act of 2005 which added Section 215 to the Federal Power Act (16 U.S.C. § 824o) ("the Act").
- II. NERC and SPP have mutually agreed to terminate the RDA and to terminate the SPP RE's status and activities as the Regional Entity for the SPP Region.
- III. The Parties desire an orderly and seamless transfer and transition of the SPP RE Delegated Authority, responsibilities and activities as the Regional Entity for the SPP Region to one or more Transferee Regional Entities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Termination Agreement, NERC and SPP, intending to be bound, agree as follows:

1. This Termination Agreement shall be effective as of the Effective Date. The Parties agree, however, that in good faith, prior to the Effective Date, they shall each proceed to engage in such of the activities contemplated by this Termination Agreement as they are able, with the objective of terminating the RDA and terminating and transferring the SPP RE Delegated Authority, responsibilities and activities as the Regional Entity for the SPP Region on August 31, 2018 (the "Termination Effective Date").

2. Termination of the RDA and of the SPP RE Delegated Authority, responsibilities and activities as the Regional Entity for the SPP Region is subject to (i) the Commission's approval of this Termination Agreement (with such modification of, or conditions to, this Termination Agreement as the Commission, in its order, requires, if any), and (ii) NERC and SPP completing

their respective obligations that are specified in this Termination Agreement as being required to be completed on or before the Termination Effective Date. Provided, that following the Termination Effective Date, NERC and SPP shall continue to be obligated: (i) to complete their respective obligations specified in this Agreement that cannot be completed until after the Termination Effective Date, and (ii) to comply with any conditions imposed by the Commission on its approval of this Agreement, the termination of the RDA, and the termination and transfer of the SPP RE Delegated Authority, responsibilities and activities as a Regional Entity.

3. All Transferee Regional Entities must be corporate entities that are parties to Commission-approved and currently effective delegation agreements with NERC.

4. NERC must complete and document the following activities:

a. Evaluate and issue a determination specifying the Transferee Regional Entity to which the registration of each Registered Entity in the SPP Region shall be transferred, which shall be subject to the Commission's approval. In conducting its evaluation and making its determinations pursuant to Section 4.a, NERC shall take into account, but shall not be limited to, the factors set forth in Section 1208.2 of the NERC Rules of Procedure.

b. Based on the determinations made pursuant to Section 4.a, NERC shall identify the Load-Serving Entities ("LSEs") in the SPP Region that are associated with each Registered Entity and shall specify that those LSEs shall, as of the Termination Effective Date, be included as LSEs within the Region of the Transferee Regional Entity for purposes of determination, allocation and billing of statutory funding assessments of NERC and the Transferee Regional Entity.

c. Assist with the transition of all compliance and enforcement processes for Registered Entities in the SPP Region to the transferee Regional Entity for each Registered

Entity by the Termination Effective Date.

d. Submit to the Commission and obtain Commission approval of this Termination Agreement and of any other agreements, documents or proposed actions necessary in order to effectuate the termination of the RDA, the transfer of Registered Entities in the SPP Region to one or more Transferee Regional Entities, and the transfer and transition of the SPP RE Delegated Authority, responsibilities and activities to one or more Transferee Regional Entities.

e. Amend and submit for Commission approval, where necessary, any NERC governance or internal process documents to which amendments are necessary or appropriate to account for or reflect the dissolution of the SPP RE and the termination of the SPP RE Delegated Authority, responsibilities and activities.

f. Coordinate with SPP to ensure appropriate disconnection of any internet, computer or software interfaces and connections that SPP or employees or contractors of SPP or SPP RE have with NERC and/or with any other Regional Entity by reason of the SPP RE Delegated Authority. The requirements of this Section 4.f will not extend to any internet, computer or software interfaces and connections that SPP or its employees or contractors maintain in connection with SPP's status and functions as a Registered Entity.

g. Subsequent to the Termination Effective Date, take any other steps required in connection with the dissolution and wind down of the SPP RE and the termination and transfer of the SPP RE Delegated Authority, responsibilities and activities to one or more Transferee Regional Entities, including, without limiting the foregoing, (i) complying with any conditions imposed by the Commission in connection with its approval of termination of the RDA, (ii) submitting to the Commission any required reconciliations of the SPP

RE's budgeted to actual expenditures, and (iii) overseeing the transfer to the Transferee Regional Entity(ies) of any funds held by SPP or SPP RE representing an excess of statutory assessments collected over statutory expenditures.

h. Verify the completion of the steps identified in Section 4 of this Termination Agreement through a certification signed by an officer of NERC. The certification shall be submitted to SPP on or before the Termination Effective Date.

5. SPP must complete the following activities:

a. Assist with the transition of any relevant files, documents, records and other information pertaining to Delegated Authority or delegation-related activities in the SPP Region to applicable Transferee Regional Entity(ies), or to NERC, in compliance with Section 12(c) of the RDA. As used in this Termination Agreement, "files, documents, records and other information" shall be construed broadly and, without limiting the foregoing, shall include all material maintained or stored in any form or format, including in paper form or in electronic media, that is still subject to regulatory retention requirements. Without limiting the generality of this requirement, SPP shall do the following:

i. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to any regional reliability standards development projects in progress as of the Termination Effective Date.

ii. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to registration of Registered Entities in the SPP Region.

- iii. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to completed and in-progress certification activities for Registered Entities (Reliability Coordinators, Balancing Authorities and Transmission Operators) in the SPP Region.
- iv. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to the SPP RE's completed or in-progress compliance monitoring and enforcement activities with respect to Registered Entities in the SPP Region.
- v. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to (A) completed Technical Feasibility Exception ("TFE") Requests and Material Change Reports submitted by Registered Entities in the SPP Region, (B) in-progress reviews of TFE Requests and Material Change Reports submitted by Registered Entities in the SPP Region, and (C) the SPP RE's monitoring of the progress of Registered Entities with approved TFE Requests in implementing compensating and mitigating measures and in achieving Strict Compliance with the Applicable Requirement.
- vi. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to previously-reviewed and in-progress Bulk Electric System Exception Requests submitted by Registered Entities in the SPP Region.
- vii. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to previously-completed and in-progress reliability assessments (e.g., annual long-term reliability assessments,

seasonal reliability assessments, and special reliability studies) of the SPP Region (whether conducted as an assessment solely of the SPP Region or as part of an assessment of a broader region, including the entire North American Bulk Power System).

viii. Transfer to the applicable Transferee Regional Entity(ies) all relevant files, documents, records and other information relating to previously-completed and in-progress analyses, in which SPP RE participated, of system events occurring in the SPP Region.

b. Submit to NERC a description of reallocation of funds, updated as requested by NERC, for the wind-down and dissolution of the SPP RE and the termination and transfer of the SPP RE Delegated Authority and delegation-related activities, including completion of the obligations set forth in this Agreement, taking into account the previously-approved 2018 statutory budget, statutory assessments and other revenue sources for the SPP RE. NERC will use this information, as needed, to support any filings with FERC necessary in connection with the termination and transfer of the SPP RE Delegated Authority and delegation-related activities. If the Parties conclude that a supplemental statutory assessment is necessary after May 1, 2018, then NERC shall submit the request for the proposed supplemental statutory assessment, with appropriate supporting budget and other information, to the Commission for approval.

c. Transfer to the Transferee Regional Entity(ies) any Penalty payments that have been collected by the SPP RE subsequent to June 30, 2017 as of the Termination Effective Date and not approved for use to pay for costs of the wind-down and dissolution of the SPP RE and the termination and transfer of the SPP RE Delegated Authority and delegation-

related activities (“Unused Penalties”). If there is more than one Transferee Regional Entity, any Unused Penalties shall be allocated between or among the Transferee Regional Entities using an allocation of Net Energy for Load (“NEL”) of the Transferee Registered Entities for the calendar year preceding the Termination Effective Date or such other allocation method as the Commission shall direct. The allocation and transfer of Unused Penalties shall be completed within sixty (60) days following the Termination Effective Date.

d. Submit to NERC unaudited quarterly financial reports for all quarters leading up to and including the Termination Effective Date.

e. Submit to NERC, within one hundred and twenty (120) days following the end of the calendar year in which termination occurs, audited financial statements for such calendar year.

f. Submit to NERC, within one hundred and twenty (120) days following the Termination Effective Date, a reconciliation of actual expenditures for the calendar year in which termination occurs against the Commission-approved SPP RE budget for that year.

g. Transfer to the Transferee Regional Entity(ies) any funds held by SPP or SPP RE representing an excess of statutory assessments collected over statutory expenditures and reserves, as of the Termination Effective Date (“Surplus Funds”), but excluding any funds to be held to pay for costs of the wind-down and dissolution of the SPP RE arising after the Termination Effective Date. If there is more than one Transferee Regional Entity, any Surplus Funds shall be allocated between or among the Transferee Regional Entities using an allocation of NEL or such other allocation method as the Commission shall direct. The

allocation and transfer of Surplus Funds shall be completed within one hundred and fifty (150) days following the Termination Effective Date.

h. Verify the completion of the steps identified in Section 5 of this Termination Agreement through a certification signed by an officer of SPP. A preliminary certification shall be submitted to NERC on or before the Termination Effective Date, noting the steps that, by the terms of this Agreement, cannot be completed until after the Termination Effective Date. A final certification shall be submitted to NERC no later than one hundred and fifty (150) days following the Termination Effective Date.

6. SPP represents and warrants that there are no known or pending claims against SPP or SPP RE in connection with SPP's performance of its Delegated Authority.

7. NERC agrees to indemnify and hold SPP harmless from claims by and liabilities to third parties for costs and obligations incurred in connection with SPP's performance of its Delegated Authority and delegation-related activities; provided, that (i) NERC will only provide indemnification for claims and liabilities to the extent the claims and liabilities cannot be covered by SPP's statutory assessment funds collected as of the Termination Effective Date; and (ii) NERC will not indemnify and hold SPP harmless from any claims and liabilities to:

- i. third parties in connection with violations of the NERC Rules of Procedure, violations of the RDA, gross negligence or intentional misconduct by SPP, or failure of SPP to fulfill its obligations under this Agreement;
- ii. SPP RE vendors or contractors who transfer their business from SPP RE to SPP no later than ninety (90) days after the Termination Effective Date.
- iii. former SPP RE employees who become employed by SPP no later than ninety (90) days after the Termination Effective Date; or,

iv. any other claimant whose claim is not asserted on or before the five (5) year anniversary of the Termination Effective Date.

8. SPP shall give written notice to NERC of any claims and liabilities that may be subject to indemnification, promptly after learning of any such claim or liability. If such claim or liability falls within the scope of Section 7 of this Termination Agreement, then NERC shall assume the defense of such claim or liability. SPP shall cooperate with NERC in such defense. SPP may, at its option and expense, be separately represented by counsel of its choice that is reasonably acceptable to NERC.

9. All notices, demands, requests, and other communications required or permitted by or provided for in this Termination Agreement shall be given in writing to SPP or NERC, at the respective addresses set forth below, or at such other address as SPP or NERC shall designate for itself in writing in accordance with this Section 9, and shall be delivered by hand, reputable overnight courier, or e-mail which is verified as being received:

If to SPP:

Attn: Paul Suskie
Executive Vice President, Regulatory
Policy and General Counsel
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223
PSuskie@spp.org

If to NERC:

Attn: Charles Berardesco
Interim President and Chief Executive Officer
North American Electric Reliability Corporation,
1325 G Street NW, Suite 600
Washington, DC 20005
Charles.Berardesco@nerc.net

10. Neither this Termination Agreement nor any of the terms hereof may be amended unless such amendment is made in writing, signed by SPP and NERC, and approved by the Commission.

11. This Termination Agreement constitutes the entire agreement on its subject matter, and supersedes all prior agreements and understanding, both written and oral, between SPP and NERC as to the subject matter of this Termination Agreement.

12. This Termination Agreement may be executed in counterparts and each counterpart shall have the same force and effect as the original.

13. The following provisions of the RDA shall survive its termination:

a. Section 13 (Limitation of Liability),

b. Section 14 (No Third Party Beneficiaries),

c. Section 15 (Confidentiality), provided, that SPP or NERC may transfer Confidential Information to Transferee Regional Entity(ies) in accordance with this Termination Agreement, and,

d. Exhibit E (Funding) - Section 8 (NERC Review of Regional Entity Financial Records), provided, that NERC's rights under Exhibit E – Section 8 shall survive for twelve (12) months following the Termination Effective Date.

NOW, THEREFORE, SPP and NERC have caused this Termination Agreement to be executed by their duly authorized representatives, to be effective as of the Termination Effective Date.

ATTACHMENT 2

SPP RE Registered Entity Proposed Transfers

SPP RE Transition Transfer Regional Entities

Registered Entity	NERC Compliance Registry ID#	Proposed Regional Entity
AE Power Services LLC (AEPS)	NCR11645	MRO
AES Shady Point, LLC (AESSP)	NCR01055	MRO
American Electric Power Corp. as Agent for AEP Oklahoma Transmission Company, Inc., Public Service Company of Oklahoma, and Southwestern Electric Power Company (AEP)	NCR01056	MRO
Arbuckle Mountain Wind Farm LLC (AMWF)	NCR11570	MRO
Arkansas Electric Cooperative Corporation (AECC)	NCR01060	MRO, SERC
Avangrid Renewables (AVNR)	NCR10259	MRO
Balko Wind, LLC (BALKO)	NCR11548	MRO
Blue Canyon II Windpower LLC (BCWII)	NCR06040	MRO
Blue Canyon Windpower LLC (BCWI)	NCR06041	MRO
Blue Canyon Windpower V, LLC (BCWV)	NCR03048	MRO
Blue Canyon Windpower VI, LLC (BC6)	NCR11201	MRO
Board Of Public Utilities (Kansas City KS) (BPU)	NCR01061	MRO
Board Of Public Utilities, City Of McPherson, Kansas (MCPHER)	NCR10319	MRO
Borger Energy Associates, LP (BOEA)	NCR01062	MRO
Boston Energy Trading and Marketing LLC (EMMT)	NCR00769	MRO
Buckeye Wind Energy, LLC (BEWE)	NCR11563	MRO
Buffalo Dunes Wind Project, LLC (BDWP)	NCR11407	MRO
Canadian Hills Wind, LLC (CHW)	NCR11354	MRO
Caney River Wind Project, LLC (CRWP)	NCR11230	MRO
Caprock Wind LLC (CAPROCK)	NCR05059	MRO
Carthage Water & Electric Plant (CAWEP)	NCR01067	MRO
Central Valley Electric Cooperative, Inc. (CVEC)	NCR06043	MRO
Chisholm View Wind Project, LLC (CHISHOLM)	NCR11291	MRO
Cimarron Bend Wind Project, LLC (CBW)	NCR11693	MRO
Cimarron Windpower II, LLC (CIMW)	NCR11240	MRO
City Of Abbeville (ABBEVLA)	NCR06033	SERC
City Of Alexandria (ALEXLA)	NCR01068	SERC
City Of Clarksdale, Mississippi (CCM)	NCR01071	SERC
City Of Ottawa (OTTAWA)	NCR10227	MRO
City Utilities Of Springfield, MO (SPRM)	NCR01081	MRO
City Water & Light - Jonesboro, Arkansas (CWL)	NCR01082	SERC
Cleco Corporate Holdings LLC (CLECO)	NCR01083	SERC
Cloud County Wind Farm, LLC, (CCWF)	NCR10302	MRO
Coffeyville Municipal Light & Power (CMLP)	NCR11151	MRO
CP Bloom Wind, LLC	NCR11810	MRO

Registered Entity	NERC Compliance Registry ID#	Proposed Regional Entity
CPV Keenan II Renewable Energy Company, LLC (KREC)	NCR11081	MRO
Dempsey Ridge Wind Farm, LLC (DRWF)	NCR11179	MRO
Dogwood Power Management, LLC (DPM)	NCR11250	MRO
Drift Sand Wind Project LLC (DRIFTSAND)	NCR11670	MRO
Duke Energy Renewables Services, LLC (DEGS)	NCR11241	MRO
East Texas Electric Cooperative Inc. (ETEC)	NCR01227	MRO
Eastman Cogeneration Limited Partnership (EASTMAN)	NCR01092	MRO
EDP Renewables North America LLC (EDPR NA)	NCR11662	MRO
Exelon Wind 4, LLC (EXWD4)	NCR10122	MRO
Farmers' Electric Cooperative, Inc. Of New Mexico (FARMCOOPNM)	NCR06046	MRO
Flat Ridge 2 Wind Energy LLC (FRWEII)	NCR11314	MRO
Flat Ridge Wind Energy, LLC (FRWE)	NCR10312	MRO
Frontier Windpower, LLC (FRONTIER)	NCR11692	MRO
Golden Spread Electric Cooperative, Inc. (GSEC)	NCR10020	MRO
Golden Spread Panhandle Wind Ranch, LLC (GSPWR)	NCR11153	MRO
Goodwell Wind Project, LLC (GOODWELL)	NCR11574	MRO
Grand River Dam Authority (GRDA)	NCR01101	MRO
Great Western Wind Energy, LLC (GWWE)	NCR11687	MRO
Green Country Energy, LLC (GREENCOGO)	NCR01103	MRO
Green Country Operating Services, LLC (GREENCOGOP)	NCR01104	MRO
Independence Power & Light (Independence, Missouri) (INDN)	NCR01072	MRO
Invenergy Services LLC (INVENERGY)	NCR11718	MRO
Ironwood Windpower, LLC (IRONWOOD)	NCR11257	MRO
ITC Great Plains, LLC (ITCGP)	NCR10400	MRO
Kansas City Power & Light Company (KCPL)	NCR01107	MRO
Kansas Electric Power Cooperative, Inc. (KEPC)	NCR01109	MRO
Kingfisher Wind, LLC c/o Apex Wind Asset Management (KING)	NCR11617	MRO
Kiowa Power Partners, LLC (KIOWAPP)	NCR01113	MRO
KODE Novus I, LLC (KODE)	NCR11329	MRO
Lafayette Utilities System (LAFA)	NCR01114	SERC
Lea County Electric Cooperative, Inc. (LCEC)	NCR06047	MRO
Lea Power Partners, LLC (LEAPP)	NCR10301	MRO
Llano Estacado Wind, LP (LLANOEWIND)	NCR10226	MRO
Louisiana Energy & Power Authority (LEPA)	NCR01116	SERC
Lubbock Power And Light (LPLTX)	NCR06048	MRO
Midcontinent Independent System Operator, Inc. (MISO)	NCR00826	SERC
Midwest Energy, Inc. (MIDW)	NCR01118	MRO
MISO-MBHydro Contingency Reserve Sharing Group (MRSG)	NCR03044	MRO
Mississippi Delta Energy Agency (MISSDEA)	NCR06050	SERC
NAES Corporation - Dogwood (NAESDOGW)	NCR06054	MRO
NAES Corporation - Goodman Energy Center (NAESGEC)	NCR11236	MRO
NAES Corporation - Oklahoma Cogeneration, LLC (NAESOKC)	NCR11451	MRO
NextEra Energy Resources, LLC (NEER)	NCR10019	MRO

Registered Entity	NERC Compliance Registry ID#	Proposed Regional Entity
Noble Great Plains Windpark, LLC (NOBLEGP)	NCR11070	MRO
Northeast Texas Electric Cooperative - HCPP (NTEC-HCPP)	NCR11607	MRO
Northeast Texas Electric Cooperative, Inc (NTEC)	NCR01124	MRO
NRG Energy Services - Golden Spread (NRGGS)	NCR11642	MRO
NRG Energy Services-Panhandle Wind Ranch (GOP) (NRGPWR)	NCR11730	MRO
Oklahoma Gas And Electric Co. (OKGE)	NCR01130	MRO
Oklahoma Municipal Power Authority (OMPA)	NCR04108	MRO
Oneta Power, LLC (ONETA)	NCR11485	MRO
Origin Wind Energy, LLC (ORGNWE)	NCR11496	MRO
Paragould Light & Water Commission (PARAGOULD)	NCR01135	MRO
Pattern Operators LP	NCR11808	MRO
Poplar Bluff (POPBLUFFMO)	NCR01137	SERC
Public Service Commission Of Yazoo City (YAZO)	NCR01139	SERC
Rayburn Country Electric Cooperative, Inc. (RCEC)	NCR06010	MRO
Red Dirt Wind Project, LLC	NCR11779	MRO
Red Hills Wind Project, LLC. (RHWP)	NCR10304	MRO
Redbed Plains Wind Farm LLC (REDBED)	NCR11754	MRO
Rock Creek Wind Project, LLC (RCWP)	NCR11762	MRO
Rock Falls Wind Farm, LLC	NCR11780	MRO
Rocky Ridge Wind Project, LLC (ROCKY)	NCR11234	MRO
Roosevelt Wind Project, LLC (RWP)	NCR11560	MRO
Sikeston Board Of Municipal Utilities (SIKESTONMO)	NCR01142	SERC
Slate Creek Wind, LLC (SLATE)	NCR11586	MRO
Smoky Hills Wind Farm, LLC (SMOKY)	NCR11049	MRO
Smoky Hills Wind Project II, LLC (SMOKY2)	NCR10316	MRO
Southern Power Company (SPC)	NCR11616	MRO
Southwest Power Pool (SPP)	NCR01143	MRO
Southwestern Power Administration (SPA)	NCR01144	MRO
Southwestern Public Service Co. (Xcel Energy) (SPS)	NCR01145	MRO
Spearville 3, LLC (SPEAR3)	NCR11322	MRO
Spinning Spur Wind, LLC (SPINSPUR)	NCR11323	MRO
Sunflower Electric Power Corporation (SECI)	NCR01148	MRO
Tenaska Gateway Partners Ltd (TENASGATEW)	NCR00633	MRO
Terrebonne Parish Consolidated Government (TERREBONNE)	NCR01152	SERC
The Empire District Electric Company (EDE)	NCR01155	MRO
Thunder Ranch Wind Project, LLC	NCR11778	MRO
Transource Energy, LLC (TRANS)	NCR11539	MRO
Tri-County Electric Cooperative, Inc of Oklahoma (TRICEC)	NCR11231	MRO
USACE - Kansas City District (COEKS)	NCR01357	MRO
USACE - Little Rock District (COELR)	NCR06037	MRO
USACE - Tulsa District (COETULSA)	NCR06038	MRO
Waverly Wind Farm LLC (Waverly)	NCR11577	MRO
Westar Energy, Inc. (WR)	NCR00658	MRO

Registered Entity	NERC Compliance Registry ID#	Proposed Regional Entity
Western Farmers Electric Cooperative (WFEC)	NCR01160	MRO

ATTACHMENT 3A

**Revised Exhibit A to Regional Delegation Agreement with
Midwest Reliability Organization**

CLEAN VERSION

Exhibit A — Regional Boundaries

MRO is one of seven Regional Entities that operates under a Delegation Agreement with the North American Electric (NERC). MRO is a not for profit entity committed to safeguarding and improving reliability of the Bulk Power System in all or part of the states of Arkansas, Illinois, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin as indicated in the map below and provided in the NERC Compliance Registry and the Canadian provinces of Manitoba and Saskatchewan.



ATTACHMENT 3B

**Revised Exhibit A to Regional Delegation Agreement with
Midwest Reliability Organization**

REDLINED AGAINST

**NERC-MRO CURRENT EXHIBIT A REGIONAL
DELEGATION AGREEMENT**

Exhibit A — Regional Boundaries

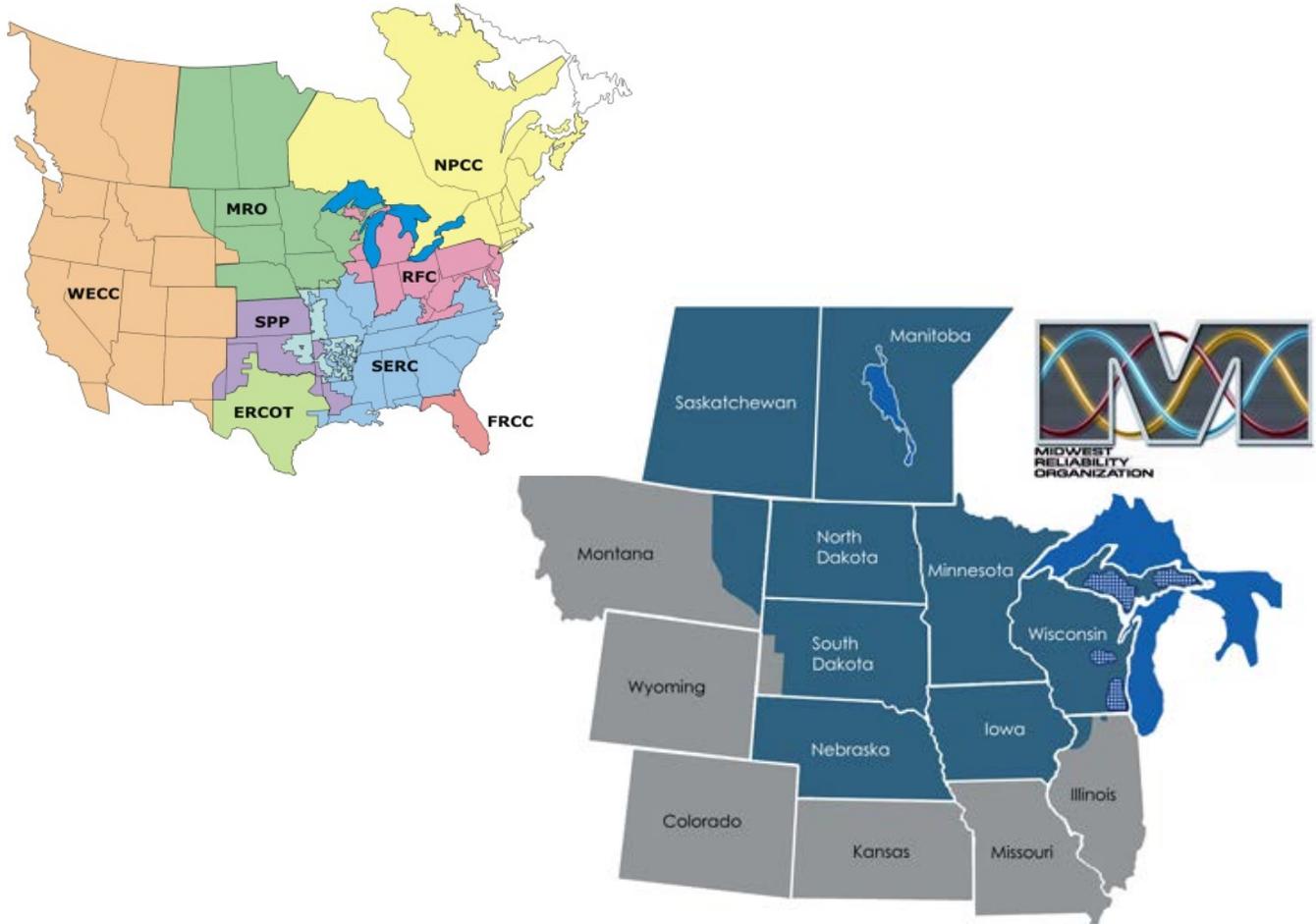
MRO is one of ~~eight regional entities~~ seven Regional Entities that ~~comprise~~ operates under a Delegation Agreement with the North American Electric Reliability Corporation (NERC). MRO is a not for profit entity committed to safeguarding and improving the reliability of the ~~Bulk Power System~~ bulk power system in the ~~upper Midwest part of North America and the~~ Canadian provinces of Manitoba and Saskatchewan. ~~The Midwest Reliability Organization region supplies approximately 270,000,000 megawatt-hours to more than twenty million people and all or part of the states of Arkansas, Illinois, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and covers~~



~~roughly one million square miles.~~ Wisconsin as reflected in the NERC Compliance Registry and

the map below.

There are several Regional Transmission Organizations that overlap MRO and other Regional Entity footprints. MRO coordinates its delegated responsibilities with these neighboring Regional Entities to avoid duplicity and ensure consistency and accuracy. MRO does not have affiliates and does not perform any reliability functions that would result in a conflict or inability to perform the delegated responsibilities of this Agreement.



ATTACHMENT 4A

**Revised Exhibit A to Regional Delegation Agreement with
SERC Reliability Organization**

CLEAN VERSION

SERC Regional Boundaries

Exhibit A
to the
Amended and Restated
Regional Entity Delegation Agreement
between

North American Electric Reliability Corporation
and
SERC Reliability Corporation



1.0 Regional Boundaries

The geographic boundaries of SERC Reliability Corporation (SERC) are determined by the service areas of its membership, comprised of investor-owned utilities, municipal, cooperative, state and federal systems, merchant electricity generators, and power marketers.

SERC covers an area of approximately 574,000 square miles in sixteen states: all of Alabama, Georgia, Mississippi, North Carolina, South Carolina; most of Arkansas, Louisiana, Missouri, and Tennessee; and portions of Florida, Illinois, Iowa, Kentucky, Oklahoma, Texas, and Virginia.

Service provided by SERC members in areas which overlap with neighboring regions include:

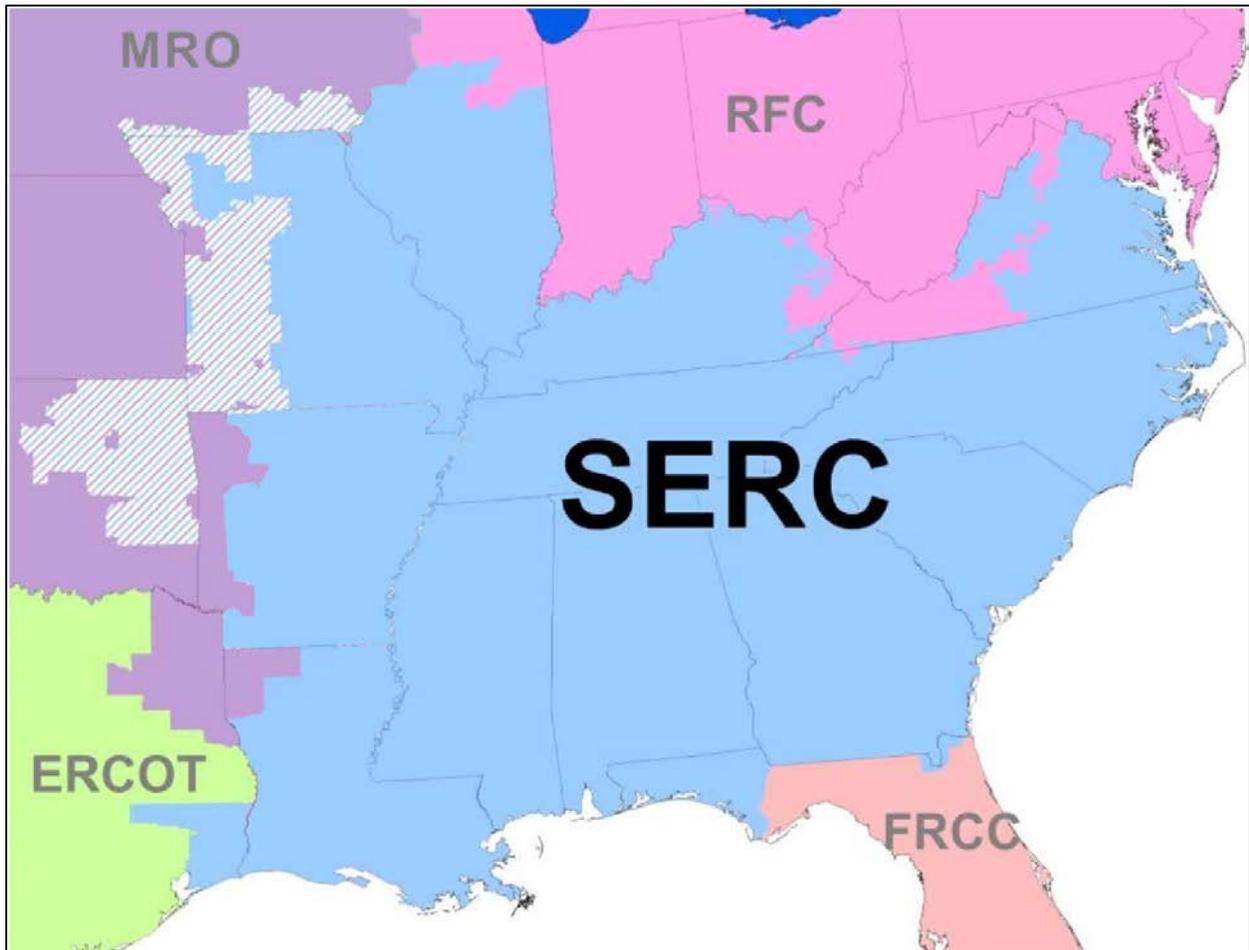
- The area in southern Iowa is served by N.E. Missouri Electric Power Cooperative, a member of Associated Electric Cooperative, Inc., and N.W. Electric Power Cooperative, a member of Associated Electric Cooperative, Inc.
- The area in eastern Oklahoma is served by KAMO Electric Cooperative, Inc., a member of Associated Electric Cooperative, Inc.
- The area in western Missouri is served by N.W. Electric Power Cooperative, a member of Associated Electric Cooperative, Inc., and KAMO Electric Cooperative, Inc., a member of Associated Electric Cooperative, Inc.
- The area in N.E. Florida (part of Baker and Nassau counties) served by Okefenoke Rural Electric Membership Corporation (OREMC), a member of Georgia System Operations Corporation; and facilities physically located in Baker County, Florida owned by Georgia Transmission Corporation (GTC) are part of the SERC Region and not the FRCC Region.

A regional map is show in Section 1.1.

SERC may also perform compliance and enforcement activities outside of the Regional Entity, on behalf of NERC and/or other Regional Entities, such activities to be undertaken pursuant to a contract between the Regional Entities that is approved by the SERC Board, the NERC Board, and the Federal Energy Regulatory Commission.

Regional Boundaries

1.1 SERC Regional Map



ATTACHMENT 4B

**Revised Exhibit A to Regional Delegation Agreement with
SERC Reliability Organization**

REDLINED AGAINST

**NERC-SERC CURRENT EXHIBIT A REGIONAL
DELEGATION AGREEMENT**

SERC Regional Boundaries

Exhibit A
to the
Amended and Restated
Regional Entity Delegation Agreement
between

North American Electric Reliability Corporation
and
SERC Reliability Corporation



Amended and Restated SERC Regional Delegation Agreement
Exhibit A

Effective [Proposed Date]

1.0 Regional Boundaries

The geographic boundaries of SERC Reliability Corporation (SERC) are determined by the service areas of its membership, comprised of investor-owned utilities, municipal, cooperative, state and federal systems, merchant electricity generators, and power marketers.

SERC covers an area of approximately ~~560~~574,000 square miles in sixteen states: all of Alabama, Georgia, Mississippi, North Carolina ~~and~~, South Carolina; most of Arkansas, Louisiana, Missouri, and Tennessee; and portions of ~~Arkansas~~, Florida, Illinois, Iowa, Kentucky, ~~Louisiana, Missouri~~, Oklahoma, ~~Tennessee~~, Texas, and Virginia.

Service provided by SERC members in areas which overlap with neighboring regions include:

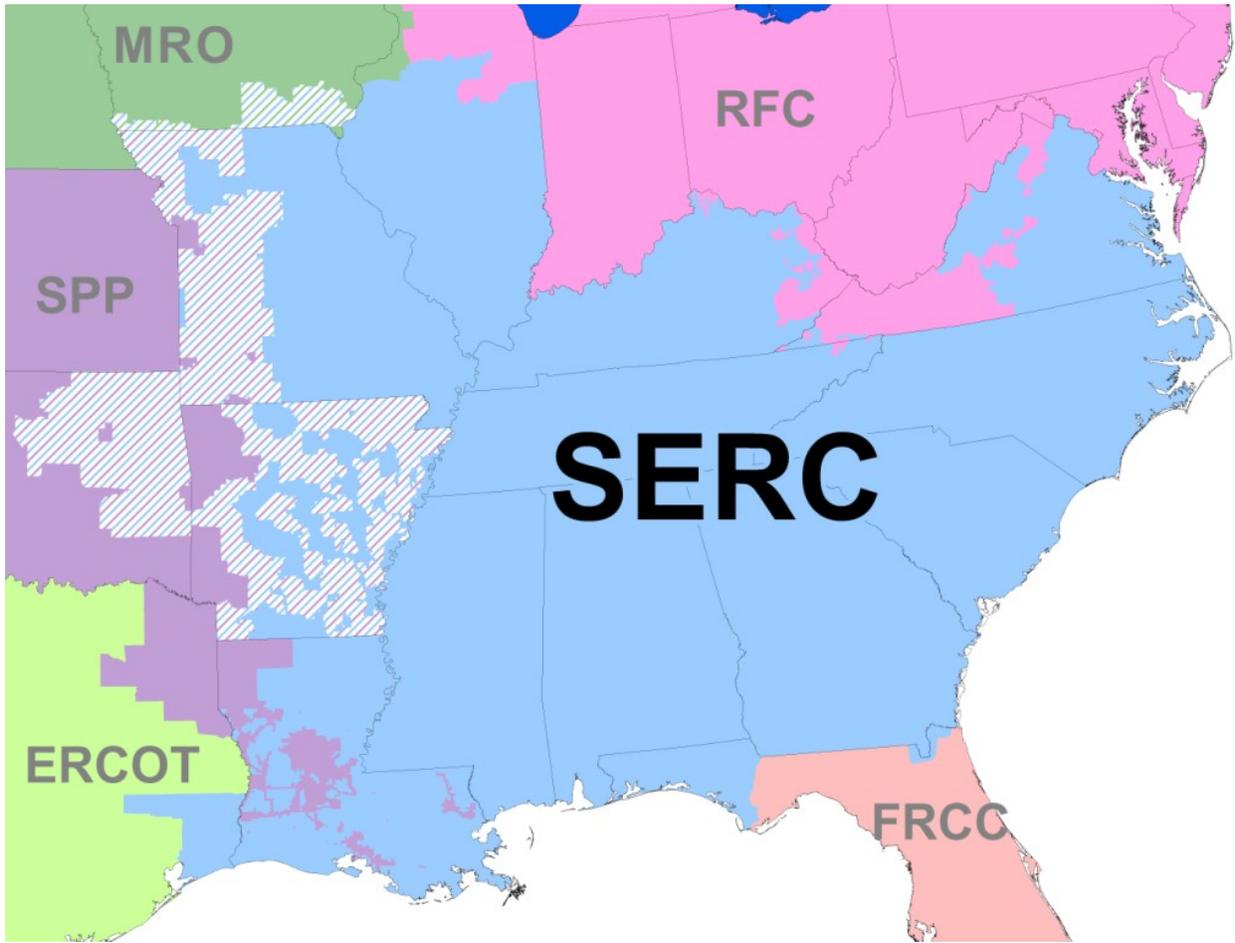
- The area in southern Iowa is served by N.E. Missouri Electric Power Cooperative, a member of Associated Electric Cooperative, Inc., and N.W. Electric Power Cooperative, a member of Associated Electric Cooperative, Inc.
- The area in eastern Oklahoma is served by KAMO Electric Cooperative, Inc., a member of Associated Electric Cooperative, Inc.
- ~~The area in Arkansas is served by Entergy Arkansas.~~
- The area in western Missouri is served by N.W. Electric Power Cooperative, a member of Associated Electric Cooperative, Inc., and KAMO Electric Cooperative, Inc., a member of Associated Electric Cooperative, Inc.
- The area in N.E. Florida (part of Baker and Nassau counties) served by Okefenoke Rural Electric Membership Corporation (OREMC), a member of Georgia System Operations Corporation; and facilities physically located in Baker County, Florida owned by Georgia Transmission Corporation (GTC) are part of the SERC Region and not the FRCC Region.

A regional map is shown in Section 1.1.

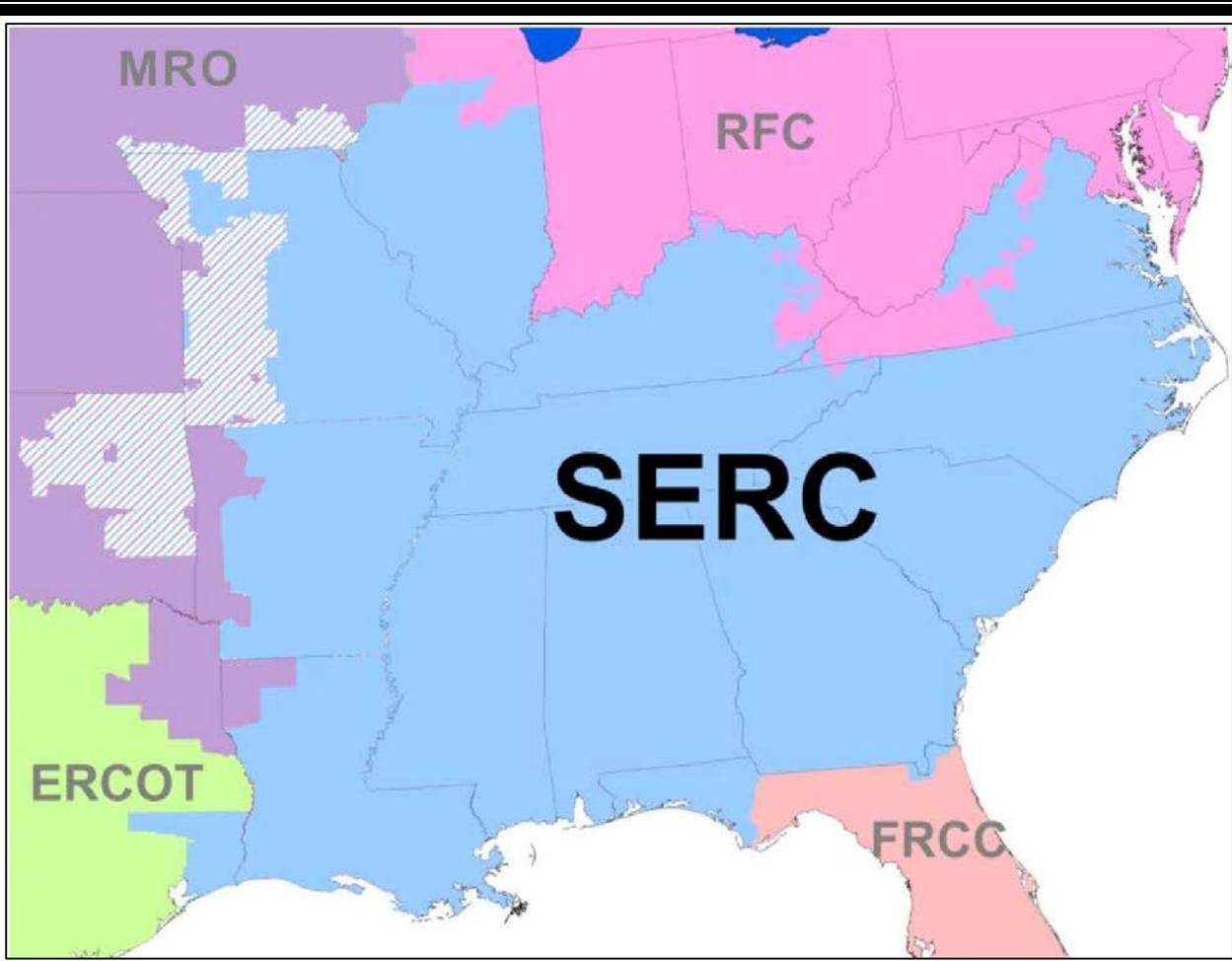
SERC may also perform compliance and enforcement activities outside of the ~~Region~~Regional Entity, on behalf of NERC and/or other Regional Entities, such activities to be undertaken pursuant to a contract between the Regional Entities that is approved by the SERC Board Executive Committee, ~~the~~ NERC Board, and the Federal Energy Regulatory Commission.

Regional Boundaries

1.1 SERC Regional Map



Regional Boundaries



ATTACHMENT 5

**Consideration of Comments in Response to December 15, 2017
Posting**

Consideration of Comments

Proposed reassignment of registered entities currently registered in the SPP Regional Entity (SPP RE) to the Midwest Reliability Organization (MRO) and SERC Reliability Corporation (SERC)

The North American Electric Reliability Corporation (NERC) thanks all commenters who submitted comments on the proposed SPP RE registered entity transfers to MRO and SERC. NERC's proposed transfer recommendations were initially posted for public comment on December 1, 2017 for a comment period closing on December 22, 2017. NERC then posted additional information regarding NERC's proposed transfer recommendations on December 15, 2017, and extended the comment period to January 5, 2018.

NERC received 15 sets of comments, including submittals from two trade organizations and a joint registered entity group, representing 10 registered entities. NERC carefully considered each comment received. As shown in the table below, NERC identified the main themes raised in the comments and grouped the comments by topic area. NERC then provided a summary of the comments received in each topic area and addressed the feedback received. In addition, NERC contacted certain registered entities directly to discuss entity-specific comments in greater detail.

Comments

Summary of Changes: No changes made to NERC’s initial transfer recommendations based on comments received.

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
<p>Industry Support for NERC’s Proposed Regional Entity Transfers for the SPP RE registered entities</p>	<ul style="list-style-type: none"> • The majority of commenters support NERC’s proposed Regional Entity transfer recommendations of registered entities in the SPP RE footprint. • Several commenters note that the proposed Regional Entity transfers will enhance the reliability of the Bulk Power System (BPS). • One commenter states that “NERC staff has crafted an outcome that promotes ‘the efficient and effective administration of BPS reliability.’” • One commenter acknowledges that NERC’s proposed transfer recommendations are reasonable given (1) the geographic and electrical boundaries of the SPP RE registered entities’ BPS facilities and (2) the continuity of certain functional alignments within the geographic and electrical boundaries. 	<ul style="list-style-type: none"> • NERC appreciates all comments received.

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
Process	<ul style="list-style-type: none"> Two commenters suggest that NERC should enhance the process in its analysis and decision-making in proceedings involving large scale registered entity transfers to another Regional Entity. 	<ul style="list-style-type: none"> NERC remains committed to communicating with SPP RE stakeholders throughout the SPP RE transition. The NERC Rules of Procedure (ROP) do not contain specific criteria for the allocation of multiple registered entity transfers in the event of a Regional Entity dissolution. Federal Energy Regulatory Commission (FERC) precedent and ROP Section 1208 provide useful criteria for considering how to address the dissolution of a Regional Entity. NERC management elected to apply Section 1208 criteria as the most relevant guidance contained in the ROP and consistent with prior FERC orders on transfer considerations. NERC provided advance notice to the affected registered entities of the use of this criteria and was consistent in its application. On July 27, 2017, NERC informed the 122 SPP RE registered entities that they may submit a written request to NERC stating their respective preference for transfer to another Regional Entity. Taking guidance from FERC precedent and the ROP, NERC management announced that it would consider Section 1208 criteria when reviewing registered entities' transfer requests as the most appropriate in this situation. NERC has taken steps to keep stakeholders informed of its analysis and decision-making process throughout the transition of the SPP RE 122 registered entities to another Regional Entity. NERC hosted an initial webinar on August 25, 2017 with the SPP RE registered entities. During the webinar, NERC outlined the transition

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
		<p>process and responded to registered entities’ questions. NERC directed registered entities to email any additional questions to NERC registration.</p> <ul style="list-style-type: none"> • NERC encouraged SPP RE registered entities to contact NERC throughout the duration of the transition with any questions. • NERC logged the registered entities’ questions along with NERC and applicable Regional Entity responses in a Frequently Asked Questions – SPP Transition document (FAQ), which was updated weekly and sent via email to the SPP RE registered entities. • On October 24 and 25, 2017, NERC’s General Counsel provided additional information regarding the transition at SPP RE’s fall workshop. • NERC then held a subsequent webinar on October 27, 2017 with the SPP RE registered entities to address any additional comments or questions regarding the transition process. • On December 1, 2017, NERC published its proposed transfer recommendations for each of the 122 SPP RE registered entities. Registered entities were given until December 22, 2017 to submit written comments on NERC’s proposed transfer recommendations. • On December 12, 2017, NERC informed the SPP RE registered entities that additional information was planned to be posted on December 15, 2017, and that the comment period would be extended from December 22, 2017 to January 5, 2018.

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
		<ul style="list-style-type: none"> On December 15, 2017, NERC provided additional information (December 15 Posting) regarding NERC’s proposed transfer recommendations concerning its evaluation of the SPP RE registered entities’ transfer requests. Where NERC’s recommendations differed from the registered entities’ requests, NERC contacted the registered entities by phone and explained NERC’s rationale for the recommendations. NERC applied the Section 1208 criteria as presented to the SPP RE registered entities at the beginning of the transition process in a consistent manner.
Coordinated Oversight Program	<ul style="list-style-type: none"> Several commenters that are registered in more than one region raise administrative efficiency concerns regarding compliance monitoring and enforcement. Several commenters question potential modification to existing coordinated oversight. 	<ul style="list-style-type: none"> The Coordinated Oversight Program (Program) provides for increased efficiencies in resource allocation for registered entities while maintaining the reliability of the BPS. Specifically, the Program is designed to eliminate unnecessary duplication of compliance monitoring and enforcement activities. For multi-region registered entities (MRREs) participating in the Program with SPP RE as the Lead Regional Entity (LRE), NERC will ensure the transition to a new LRE pursuant to the coordinated oversight process. For MRREs where SPP RE is not the LRE, no changes are expected at this time. NERC contacted several registered entities to clarify that for current SPP RE MRREs, NERC’s proposed transfer recommendations is not expected to

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
		<p>impact registrations outside of the SPP RE footprint.</p> <ul style="list-style-type: none"> • NERC contacted several registered entities to review their questions regarding future participation in the Program. • NERC contacted one registered entity to explain that it would become an MRRE as a result of NERC’s proposed transfer recommendation and would have the option to participate in the Program.
<p>Location of Assets</p>	<ul style="list-style-type: none"> • One commenter suggests that the ROP 1208 criterion addressing location of assets should not be a primary factor for evaluating registered entity transfer requests. 	<ul style="list-style-type: none"> • NERC announced at the beginning of the SPP RE transition process that applying Section 1208 criteria in this situation is appropriate based on the guidance in the NERC ROP and FERC precedent on registered entity transfers to another Regional Entity. Geographic location is one of the Section 1208 criteria NERC considered. • In NERC’s December 15 Posting, NERC noted that it considered two initial criteria: (1) the location of the registered entity’s BPS facilities in relation to the geographic and electrical boundaries of the transferee Regional Entity; and (2) the impact of the proposed transfer on other BPS owners, operators, and users, including affected Reliability Coordinators, Balancing Authorities, and Transmission Operators, as appropriate.

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
		<ul style="list-style-type: none"> Also in the December 15 Posting, NERC stated it will consider registered entity comments on the proposed transferee Regional Entities, Regional Entities' responses addressing the criteria found in Section 1208, and any other relevant information when making transferee Regional Entity recommendations to the NERC Board of Trustees.
Regional Entity Expertise	<ul style="list-style-type: none"> One commenter states that NERC should consider specific Regional Entity experience with an entity's business functions and responsibilities associated with its organizational structure. 	<ul style="list-style-type: none"> All Regional Entities meet the requirements of the Federal Power Act, the ERO Regulations, and the NERC ROP as approved by FERC necessary to qualify for delegated authority by NERC, and approved by FERC, to perform compliance monitoring and enforcement activities as set forth in NERC's Uniform Compliance Monitoring and Enforcement Program (CMEP) and the annual ERO CMEP Implementation Plan. NERC conducts continuous oversight of the Regional Entities' CMEP activities. All Regional Entities have experience with entities of various organizational structures registered for all NERC registered functions.

Topic Area	Summary of Stakeholder Comments	Action/Response and Notes
		<ul style="list-style-type: none"> • Pursuant to Section 1208, a registered entity may request a transfer to another Regional Entity. • Registered entities have various existing tools, such as the Consistency Reporting Tool, to inform NERC of any concerns regarding a Regional Entity’s performance of CMEP activities.

ATTACHMENT 6

Transmission Corridor Analysis

Attachment 6: Transmission Corridor Analysis

Louisiana Transmission System

NERC reviewed the TOP registered entities whose BES facilities are located only in Louisiana. Based on their existing geographic and electrical boundaries, NERC recommended that those registered entities be transferred to SERC.¹

Kansas, Nebraska and Missouri Transmission Corridors

NERC's review of the transmission corridors in SPP RE included the 345 kV tie lines connecting to and spanning throughout the SPP RE electrical footprint. These corridors connect TOPs in Kansas, located within the SPP RE footprint, with both the SERC and MRO regions. NERC identified TOPs registered in the SPP RE that border MRO and the transmission corridors in central and western Kansas. Since the tie lines of TOPs in the SPP RE crossing the Kansas / Nebraska border into the MRO region connect TOPs in central and western Kansas with the MRO region, NERC proposes to transfer those TOPs to MRO.²

There are two transmission corridors – each consisting of two 345 kV tie lines - connecting west, central and eastern Kansas TOP areas. There are two additional transmission corridors – consisting of five 345 kV tie lines - connecting eastern Kansas TOP areas with northwestern

¹ This recommendation includes the following TOPs:

- Cleco Corporate Holding, LLC
- Lafayette Utilities System

² This recommendation includes the following TOPs:

- Sunflower Electric Power Corporation
- Midwest Energy, Inc.
- ITC Great Plains, LLC

Missouri. Due to the concentration of connections across Kansas and the Kansas / Missouri border, NERC recommends transferring TOPs in these areas to the same Regional Entity. Given the greater number of corridors connecting to the MRO region than to the SERC region and NERC's desire to keep the TOPs operating tie lines in Kansas in the same Regional Entity, NERC recommends transferring the eastern Kansas TOPs and northwest Missouri TOPs to MRO.³

Oklahoma, Arkansas and Texas Transmission Corridors

NERC analyzed the TOP areas in Oklahoma and Texas to determine whether to transfer TOPs in these states to MRO or SERC. Within the SPP RE footprint, there are four corridors with eight 345kV tie lines across the border between Oklahoma and Kansas. There are several additional corridors with 345 kV tie lines meshed across Oklahoma crossing into the Texas panhandle and northeast Texas towards the SERC region. NERC determined that based on the meshed configuration of the electrical network in this area, all of the associated TOPs should be transferred to the same Regional Entity. In contrast, there is only a single corridor with a single 345 kV tie line across the border between Oklahoma and Arkansas connecting with a TOP in the SERC region. As a result, NERC recommends transferring all the TOPs registered in the SPP RE and located in these Oklahoma, Arkansas and Texas transmission corridors to MRO.⁴

³ This recommendation includes the following TOPs:

- Westar Energy, Inc.
- Kansas City Power & Light Company
- Board of Public Utilities (Kansas City KS)

⁴ This recommendation includes the following TOPs:

- American Electric Power Corp. as Agent for AEP Oklahoma Transmission Company, Inc., Public Service Company of Oklahoma and Southwestern Electric Power Company
- Grand River Dam Authority
- Oklahoma Gas and Electric Co.
- Southwestern Public Service Co. (Xcel Energy)
- Western Farmers Electric Cooperative

Missouri and Arkansas Transmission Corridors

The final area of review was southwestern Missouri and northwestern Arkansas. There are four transmission corridors connecting this area. Three of these corridors have a total of five 345 kV tie lines connecting to TOP areas in Oklahoma and Kansas; NERC recommends transferring these TOPs to MRO. In contrast, there is only one transmission corridor with a 345 kV tie line connecting with a TOP area in the SERC region. As a result, NERC recommends transferring all TOPs in southwestern Missouri and northern Arkansas to MRO.⁵

As stated earlier, NERC recommends that all TOs, GOs, GOPs, DPs, and TPs located in the same area as a TOP should be transferred to the same Regional Entity as that TOP.

⁵ This recommendation includes the following TOPs:

- The Empire District Electric Company
- City Utilities of Springfield, MO
- Independence Power & Light (Independence, Missouri)
- Southwestern Power Administration