

Entergy Employee News

APSC Issues Final Conditional Order on Entergy Arkansas' MISO Integration

4/11/2013

The Arkansas Public Service Commission has cleared a final regulatory hurdle from Entergy Arkansas, Inc.'s path toward saving its customers a projected quarter of a billion dollars over the next decade.

The commission's Order No. 76, issued earlier this week, grants Entergy Arkansas' request to transfer functional control of its transmission assets to the Midwest Independent Transmission System Operator, Inc., subject to continued compliance with the commission's conditions, and provides a clear path for the company to continue its efforts to integrate into the large regional grid operator in December 2013.

"This is a major milestone for our company and our customers— as we work toward the successful conclusion of a multi-year journey to exit the Entergy System Agreement," said Hugh McDonald, president and chief executive officer of Entergy Arkansas. "Our teams continue working day and night on the MISO integration, and I can assure you we are committed to being ready on Dec. 19 to begin capturing the benefits of MISO for our customers."

The order is significant not only in Arkansas, where analysis projected savings of \$263 million to Entergy Arkansas customers in the first decade of MISO membership alone; it has a ripple effect throughout the four-state region in which Entergy utilities operate. Regulators in Mississippi, Texas, Louisiana and New Orleans conditioned their orders granting the change of control to MISO on Entergy Arkansas also joining MISO. The savings from operations under MISO are significantly greater when all of the Entergy utilities join the grid operator together.

By joining MISO, Entergy Arkansas becomes part of a massive regional power pool spanning from Canada to the Gulf of Mexico. Besides significant cost savings for customers, MISO delivers improved reliability and open access to more competitive and diverse generation resources.

Efforts to design, plan and implement Entergy Arkansas's transition to a post-System Agreement environment have been ongoing since 2008. The System Agreement generally provides for the planning and operation of the electric generation and bulk transmission facilities of the six Entergy operating companies on an integrated, coordinated basis as a single electric system. Entergy Arkansas announced its intention to exit the arrangement almost eight years ago.

MISO both operates a market for electricity and manages congestion across the vast transmission grid under its control. MISO facilitates the buying and selling of electricity, while continually balancing supply and demand, managing congestion on the transmission grid and creating an open, competitive market for industry participants. MISO is the nation's first regional transmission organization, and one of its largest.

"MISO's massive footprint, its preferred transmission cost allocation methodology and its proven experience in operating day-ahead and real-time regional energy markets make it work for Entergy Arkansas," McDonald added. "With this order in hand, we can turn all attention to preparing to integrate into MISO and maximizing value and reliability through this new arrangement."