

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
Transource Missouri, LLC for a Certificate )  
of Convenience and Necessity Authorizing it ) Case No. EA-2016-\_\_\_\_\_  
to Own, Operate, and Maintain a Switchyard )  
Necessary for the Interconnection of the )  
Rock Creek Wind Project with the Sibley- )  
Nebraska City Electric Transmission Project )

**APPLICATION OF TRANSOURCE MISSOURI, LLC  
FOR ORDER DECLINING JURISDICTION OR, IN THE ALTERNATIVE, A  
CERTIFICATE OF CONVENIENCE AND NECESSITY; REQUEST FOR WAIVER;  
AND MOTION FOR EXPEDITED TREATMENT**

Transource Missouri, LLC (“Transource Missouri” or “Applicant”), pursuant to Section 393.170.1,<sup>1</sup> 4 CSR 240-2.060, and 4 CSR 240-3.105, hereby submits its Application for an order declining jurisdiction or, in the alternative, a Certificate of Convenience and Necessity (“CCN”) to own, operate, and maintain a 345 kV Interconnection Switch Station in Holt County, Missouri (“Switch Station”) necessary to connect the Rock Creek Wind Project with the Applicant’s Sibley-Nebraska City 345 kV electric transmission line project<sup>2</sup> currently under construction. The Applicant also seeks a waiver of Commission Rules 4 CSR 240-3.175 and 4 CSR 240-3.190.

Transource Missouri requests that the Commission waive the 60-day filing rule under 4 CSR 240-4.020(2) for good cause, and moves for expedited treatment of this Application, pursuant to 4 CSR 240-2.080(14).

## **I. APPLICANT**

1. Transource Missouri is a Delaware limited liability company qualified to conduct business in Missouri, with its principal place of business located at 1 Riverside Plaza, Columbus.

<sup>1</sup> All statutory references are to the Missouri Revised Statutes (2000) as amended, unless otherwise noted.

<sup>2</sup> Transource Missouri will own and operate the Missouri portion of this transmission project.

Ohio 43215. A copy of Transource Missouri's certificate from the Missouri Secretary of State authorizing it to do business in Missouri is attached as Exhibit 1.

2. Transource Missouri is a transmission-owning entity regulated by the Federal Energy Regulatory Commission ("FERC") with its principal business devoted exclusively to constructing, financing, owning, operating and maintaining transmission facilities that provide wholesale, interstate electric transmission service via the Southwest Power Pool, Inc. ("SPP") Open-Access Transmission Tariff ("OATT"). Transource Missouri is not a Missouri rate-regulated entity and does not directly serve retail electric customers in Missouri.

3. Transource Missouri is a wholly-owned subsidiary of Transource Energy, LLC ("Transource"), a Delaware limited liability company with its principal place of business in Columbus, Ohio.

4. Transource was established as a holding company to develop, acquire, construct, finance, own, operate, and maintain electric transmission projects. Transource conducts business through its subsidiaries like Transource Missouri who will construct, finance, own, operate, and/or maintain regional transmission facilities.

5. Transource has two members: (a) AEP Transmission Holding Company, LLC, which owns 86.5% of Transource and is a wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP"), and (b) GPE Transmission Holding Company, LLC, which owns 13.5% of Transource and is a wholly-owned subsidiary of Great Plains Energy Incorporated ("GPE"). GPE is the parent corporation of Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO"). Transource's equity funding is provided by its two members, consistent with its ownership structure. Debt may be issued by Transource or its utility subsidiaries, as appropriate, through a combination of bank facilities and term financing to

capitalize investments. Transource is operated by a full-time, dedicated staff provided by subsidiaries and affiliates of AEP and GPE.

6. Pleadings, notices, orders, and other correspondence and communications related to this Application should be sent to the undersigned counsel and also to:

Peggy Simmons  
Director, Transmission Asset Strategy and Policy  
American Electric Power Company, Inc.  
1 Riverside Plaza  
Columbus, OH 43215  
(614) 716-2510  
pisimmons@aep.com

Lois Liechti  
Director, Regulatory Affairs  
Kansas City Power & Light Company  
1200 Main Street  
Kansas City, MO 64105  
(816) 556-2612  
lois.liechti@kcpl.com

7. The Applicant has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court involving customer service or rates that has occurred within three years of the date of this Application. The Applicant also has no overdue annual reports or assessment fees.

8. In 2013 Transource Missouri obtained a line CCN from the Commission to construct, finance, own, operate and maintain two SPP-approved 345 kV regional electric transmission projects known as the Iatan-Nashua Project and the Sibley-Nebraska City Project. See Report & Order, In re Transource Missouri, LLC, No. EA-2013-0098 (Aug. 7, 2013). Transource Missouri's portion of the Sibley-Nebraska City Project is currently under construction with an expected in-service date of December 31, 2016, and is located entirely within Missouri. When complete, the Applicant's portion of the new transmission line will

connect with and extend from GMO's Sibley Generating Station in Jackson County to the new Mullin Creek Substation in Nodaway County, and then from the Mullin Creek Substation to the Missouri River crossing in Holt County. Omaha Public Power District ("OPPD") will own and operate the portion of the transmission line that extends from the Missouri River crossing into Nebraska and connects to OPPD's Nebraska City substation.

## **II. THE GENERATOR INTERCONNECTION AGREEMENT NECESSITATED BY THE ROCK CREEK WIND PROJECT**

9. Transource Missouri has entered into a Generator Interconnection Agreement ("GIA")<sup>3</sup> in relation to an interconnection request for interconnection service for the generating facilities of Rock Creek Wind Project, LLC ("Rock Creek"), the developer of the Rock Creek Wind Project. Transource Missouri (as the transmission owner), SPP (as the transmission provider), and Rock Creek (as the interconnection customer) have entered into the GIA to fulfill Rock Creek's request, pursuant to SPP's OATT requirements.

10. Rock Creek's generation facilities will interconnect to the Transource Missouri line through a new 345 kV Interconnection Switch Station located in Holt County, Missouri. This Switch Station and certain transmission owner interconnection facilities described in the GIA are the subject of this Application.

11. As the interconnection customer, Rock Creek will construct<sup>4</sup> the Switch Station and certain transmission owner interconnection facilities per SPP's Generator Interconnection Procedures and will, under the terms of the GIA, be obligated to pay for the Switch Station and these facilities. Once completed, Transource Missouri will own, operate, and maintain the Switch Station and these related facilities.

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<sup>3</sup> See Exhibit 4.

<sup>4</sup> Under Section 6 of Appendix A of the GIA "Construction Option Selected by Customer", A-5, interconnection customers may elect to construct interconnection facilities if the transmission owner elects not to construct such facilities due to schedule or other restrictions.

### **III. REQUEST FOR ORDER DECLINING JURISDICTION**

12. Transource Missouri requests that the Commission consider whether it is appropriate for it to assert jurisdiction under the specific facts of this case and to find that under long-standing Missouri case law it need not assert jurisdiction<sup>5</sup> over the Switch Station project described more specifically in Section IV below. The facts that may warrant a decision by the Commission to decline jurisdiction include the following:

a. Although it will own, operate and maintain the Switch Station, Transource Missouri will neither construct nor pay for the Switch Station. The developer Rock Creek will construct and pay for the Switch Station (as well as the Rock Creek Wind Project), and will contribute the Switch Station and the land on which it is located to Transource Missouri. As such, the express terms of Section 393.170.1 do not apply in that “no ... electrical corporation ... shall begin construction of ... electric plant” and, thus, the Commission is not required to grant its “permission and approval” to Transource Missouri under the statute.

b. Transource Missouri will not pay the developer Rock Creek Wind Project, LLC for the Switch Station, which the developer will contribute to the Applicant and which will not increase the Applicant’s FERC-regulated rate base.

c. Transource Missouri will not exercise eminent domain in connection with its ownership, operation and maintenance of the Switch Station because all the necessary real estate rights have already been secured by Rock Creek on privately held property.

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<sup>5</sup> State ex rel. PSC v. Blair, 146 S.W.2d 865, 874 (Mo. en banc 1941) (“In any circumstance where a statute is reasonably open to construction, we think the Commission does have the power, in the first instance, to determine administratively its own jurisdiction.”). See State ex rel. M.O. Danciger & Co. v. PSC, 205 S.W. 36, 40 (Mo 1918); Khulusi v. Southwestern Bell Yellow Pages, Inc., 916 S.W.2d 227, 2332 (Mo. App. W.D. 1995).

d. Transource Missouri is regulated by FERC because its business is devoted exclusively to constructing, financing, owning, operating and maintaining transmission facilities that provide wholesale, interstate electric transmission service. Applicant is not rate-regulated by this Commission, and does not directly serve retail electric customers in Missouri.

e. SPP's OATT was filed as Attachment 2 to Transource Missouri's application in Case No. EA-2013-0098, indicating that facilities such as the Switch Station were contemplated by the Commission. In granting Transource Missouri its CCN, the Commission stated:

There is a need for the service to be rendered by the Projects based upon studies performed by SPP in 2009 and 2010. These studies demonstrated that the Projects will improve electric grid reliability, minimize transmission congestion effects, bring economic benefits to SPP members, and help support public policy goals regarding renewable energy [emphasis added].<sup>6</sup>

13. In light of the foregoing, Transource Missouri believes it would be reasonable for the Commission not to assert jurisdiction over the Switch Station in this proceeding.

14. Nevertheless, if the Commission decides to assert jurisdiction, the Applicant requests that the Commission grant the CCN as requested in Section IV, along with the waivers and expedited treatment requested in Sections V and VI.

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<sup>6</sup> Report & Order at 12, In re Transource Missouri, LLC, No. EA-2013-0098 (Aug. 7, 2013).

**IV. REQUEST FOR CERTIFICATE OF CONVENIENCE AND NECESSITY:**  
**PROJECT DESCRIPTION AND NEED**

15. Transource Missouri seeks to own, operate, and maintain the 345 kV Interconnection Switch Station in Holt County which will interconnect the 300 MW Rock Creek Wind Project located in adjacent Atchison County with the Mullin Creek-Nebraska City portion of the Sibley-Nebraska City transmission line. A diagram of the Switch Station and surrounding facilities is attached as Exhibit 2. The Switch Station will be located immediately adjacent and contiguous to the right-of-way of the Mullin Creek-Nebraska City line. The legal description of the real property on which the Switch Station will be located is attached as Exhibit 3.

16. As the interconnection customer, Rock Creek will construct the Switch Station and certain transmission owner interconnection facilities described in Section 2(a) and Section 1(b), respectively, of Appendix A to the GIA. A technical description of the Switch Station and these related transmission owner interconnection facilities is contained in Appendix A of the GIA, which is attached as Exhibit 4.

17. The Switch Station is a necessary component of the electrical facility for the Rock Creek Wind Project to have interconnection with and access to the transmission grid so that it can deliver capacity and energy to its customer. The Rock Creek Wind Project's generating facility will have a nameplate capacity of up to 300 MW that will produce wind energy to help meet the renewable energy public policy goals of both Missouri and the region. Upon information and belief, it is estimated that the Rock Creek Wind Project will help reduce the annual emissions of other higher emitting generation facilities by approximately 900,000 tons of carbon dioxide, 3,000 tons of nitrogen oxide (NO<sub>x</sub>), and 4,000 tons of sulfur dioxide (SO<sub>2</sub>).

18. As noted above, when the Commission granted Transource Missouri its CCN, it specifically stated that its projects will "help support public policy goals regarding renewable

energy,” as well as improve grid reliability and minimize transmission congestion.<sup>7</sup> Clearly, the Switch Station is a necessary component of the transmission grid to help meet the public policy goals that supported the Commission's decision to grant a CCN to Transource Missouri to own and operate the Sibley-Nebraska City Project.

19. The Switch Station will be constructed and initially owned by Rock Creek pursuant to the GIA entered into by Rock Creek, SPP, and Transource Missouri. Pursuant to the GIA, Rock Creek will convey, transfer, and contribute the Switch Station, the property on which it is located, and certain associated transmission owner interconnection facilities to Transource Missouri prior to energizing the Switch Station. The estimated cost of the Switch Station and the associated interconnection facilities that will be transferred and contributed to Transource Missouri without payment is \$17,170,000.<sup>8</sup>

20. Transource Missouri will not exercise the power of eminent domain regarding the Switch Station, whose construction and operation will not require approval by any other governmental body under 4 CSR 240-3.105(1)(C).

21. The Switch Station is being constructed by Rock Creek consistent with and pursuant to the interconnection requirements of Attachment O (Transmission Planning Process) to SPP's FERC-approved OATT. This OATT was filed as Attachment 2 to Transource Missouri's application in Case No. EA-2013-0098, indicating that the interconnection of facilities like the Switch Station with the Mullin Creek-Nebraska City transmission line of the Sibley-Nebraska City Project were contemplated by the Commission.

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<sup>7</sup> Id.

<sup>8</sup> \$17,170,000 is the sum of the cost of the Switch Station (\$16,570,000) and of the transmission owner interconnection facilities (\$600,000). See §§ 1(b), 2(a), Appendix A, Generation Interconnection Agreement, attached as Exhibit 4.



22. The foregoing facts demonstrate that granting this Application is both necessary and convenient to serve the public interest.

**V. REQUEST FOR WAIVER OF REPORTING REQUIREMENTS**

23. Because Transource Missouri will have no Missouri retail customers and no rates set by this Commission, it requests waiver of 4 CSR 240-3.175, which would otherwise require it to file depreciation studies with the Commission, and 4 CSR 240-3.190, which would otherwise require it to file fuel and outage reports with the Commission. Rules 4 CSR 240-3.175 and 4 CSR 240-3.190 are designed for vertically integrated retail electric utilities, which Transource Missouri is not. The Commission waived such requirements when it granted line CCNs to ITC Midwest LLC<sup>9</sup> and Entergy Arkansas, Inc.<sup>10</sup> which only own and operate transmission facilities and which have no retail customers.

24. Good cause exists for granting waiver of 4 CSR 240-3.175 and 4 CSR 240-3.190 because Transource Missouri will exclusively serve the wholesale, interstate bulk electricity system which is regulated by FERC. Transource Missouri will not serve any Missouri retail customers with the Switch Station. Because FERC, and not this Commission, sets interstate rates for transmission service, no other public utility will be affected by such waiver.

25. Other than as affected by these requested waivers, Transource Missouri agrees to produce in Missouri, upon reasonable notice, duplicate copies of those portions of its books and records necessary for the Commission and Transource Missouri to perform their statutory duties.

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<sup>9</sup> In re Interstate Power and Light Co. and ITC Midwest LLC for Approval to Transfer CCN and Transmission Line Facilities, No. EO-2007-0485, Order Granting Certificate of Convenience, Granting Variances from Certain Commission Rules, and Authorizing Sale of Assets at 5 (Aug. 30, 2007).

<sup>10</sup> In re Entergy Arkansas, Inc. for a Certificate of Convenience and Necessity, No. EA-2012-0321, Order Granting Certificate of Convenience and Necessity at 3 (July 11, 2012).

**VI. MOTION FOR EXPEDITED TREATMENT AND REQUEST FOR WAVIER OF 60-DAY NOTICE**

26. Transource Missouri requests that the Commission grant the CCN Application or that it decline jurisdiction as soon as reasonably practical, but in any event no later than 90 days after the filing of this Application.

27. The Switch Station is a key transmission element of the Rock Creek Wind Project and enables Rock Creek, as the interconnection customer, access to the transmission grid. In order to secure its financing in time to support the construction and commercial operation schedule described below, Rock Creek Wind Project, LLC must obtain all conceivably necessary state regulatory approvals as soon as possible. The construction schedule set forth in the Generation Interconnection Agreement calls for the Switch Station to be completed by October 31, 2016, so that it can be energized with the completion of the Sibley-Nebraska City Project on December 31, 2016. Rock Creek has advised the Applicant that commercial operation of its generating facilities is scheduled to commence at or near the end of 2016. It is therefore imperative that the Commission take action as soon as possible.

28. The Application was filed as quickly as circumstances would allow given discussions by the various parties involved in the Rock Creek Wind Project and its interconnection to Transource Missouri's Sibley-Nebraska City electric transmission line project, and their common desire to avoid any material delay in the construction and operation of the Rock Creek Wind Project.

29. Transource Missouri also requests that the Commission waive the 60-day notice requirement of 4 CSR 240-4.020(2) for good cause, given the exigent circumstances noted above, and the likelihood that this Application for the Switch Station to receive a CCN will not be a contested case under the facts presented.

**WHEREFORE** Transource Missouri, LLC respectfully requests that the Commission:

1. Grant the Applicant's Motion for Expedited Treatment filed pursuant to 4 CSR 240-2.080(14) and its request for a waiver of the 60-day notice requirement of 4 CSR 240-4.020(2).
2. Decline jurisdiction over the Switch Station as it is outside the Commission's statutory jurisdiction and subject to the federally-approved Open Access Transmission Tariff of Southwest Power Pool, Inc.
3. Alternatively, grant the Applicant a Certificate of Convenience and Necessity to own, operate, and maintain the Switch Station, pursuant to Section 393.170.1, 4 CSR 240-2.060, and 4 CSR 240-3.105.
4. Grant waivers from the reporting requirements of 4 CSR 240-3.175 and 4 CSR 3.190.

January 15, 2016

Respectfully submitted,

/s/ Karl Zobrist

Karl Zobrist MBN 28325  
Joshua Harden MBN 57941  
Denton US LLP  
4520 Main Street, Suite 1100  
Kansas City, MO 64111  
(816) 460-2400  
(816) 531-7545 (fax)  
karl.zobrist@dentons.com  
joshua.harden@dentons.com

Robert J. Hack  
Lead Regulatory Counsel  
Kansas City Power & Light Company  
1200 Main Street  
Kansas City, MO 64105  
(816) 556-2791  
(816) 556-2791 (fax)  
rob.hack@kcpl.com

Jerry N. Huerta  
Senior Counsel  
American Electric Power Company, Inc.  
400 West 15th Street, Suite 1500  
Austin, Texas 78701  
(512) 481-3323  
jnhuerta@aep.com

Attorneys for Transource Missouri, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Application was served upon the parties listed below by email or U.S. Mail, postage paid, on this 15th day of January, 2016.

General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City MO 65102  
gencounsel@psc.mo.gov

Office of the Public Counsel  
P.O. Box 2230  
Jefferson City MO 65102  
opcservice@ded.mo.gov

/s/ Karl Zobrist

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Attorneys for Transource Missouri, LLC

**AFFIDAVIT**

STATE OF Missouri                     )  
  ) SS.  
COUNTY OF JACKSON                     )

I, TODD FRIDLEY, being duly affirmed according to the law, depose and state that I am Vice President of Transource Missouri, LLC ("Transource Missouri"), that I am authorized to make this affidavit on behalf of Transource Missouri, and that I verify that the facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

  
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Subscribed and sworn to before me this 15<sup>th</sup> day of January, 2016.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Feb 4 2019

