

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

**Coordination between Natural Gas)
and Electricity Markets)**

Docket No. AD12-12-000

**STATEMENT OF DON SHIPLEY
ON BEHALF OF SOUTHWEST POWER POOL, INC.**

I. INTRODUCTION

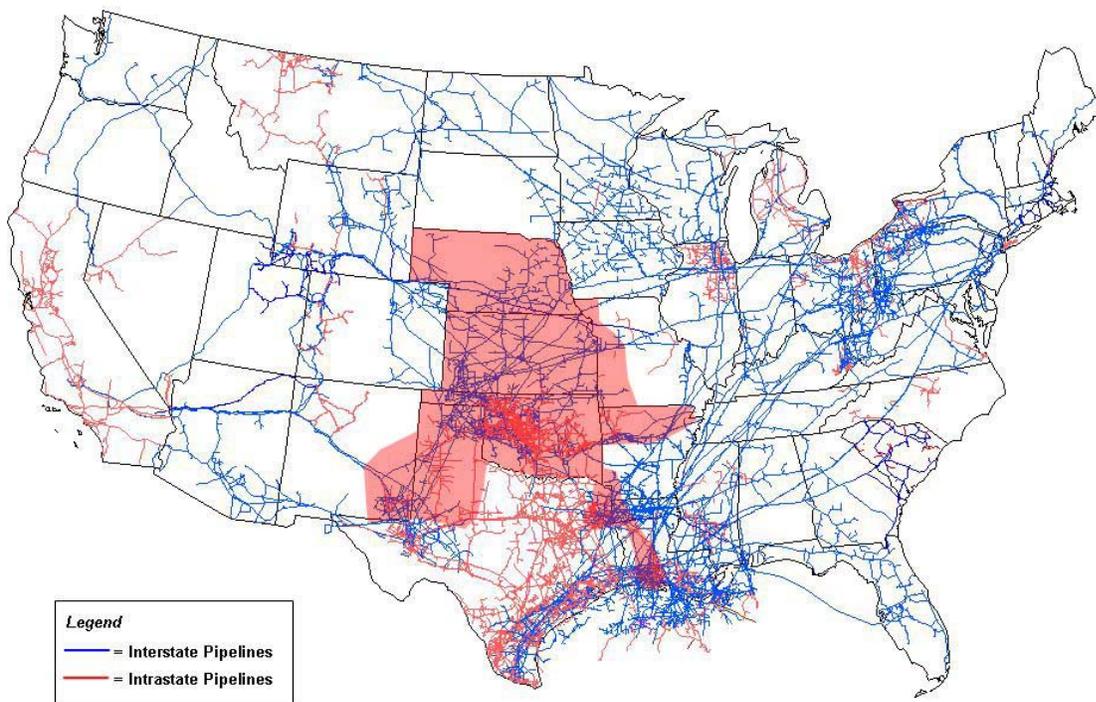
My name is Don Shipley, and I am the Director of System Operations for Southwest Power Pool, Inc. (“SPP”). In this role, I am responsible for the real-time operation of the bulk electric system across the SPP region. I am a NERC-certified system operator with 34 years of experience in the industry and a background in electric distribution and transmission system operations.

On behalf of SPP, I thank the Commission for this opportunity to discuss SPP's seasonal gas-supply experience and its coordination practices in the context of gas-supply for electric generation. More specifically, this statement is intended to provide information regarding past and forecasted seasonal gas-supply conditions in the SPP region as well as SPP's past, current, and intended future situational awareness practices. Finally, this statement will also share SPP's observations regarding the need for recognition and consideration of significant gas-supply differences across various regions.

II. DISCUSSION

First, a brief report regarding SPP's seasonal experiences: During the 2012 – 2013 winter and spring seasons, SPP did not experience any reliability-impacting events with regard to gas

fuel supply in the SPP region. Further, the Summer 2013 Seasonal Assessment performed by SPP staff in conjunction with the NERC Reliability Assessment Subcommittee indicates the SPP region is forecast to have abundant generation supply and should experience a near-normal load pattern. SPP's abundant generation supply and robust transmission capacity lead SPP to forecast no significant reliability concerns for the upcoming summer.



Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

Figure 1: Demonstration of robust pipeline infrastructure in SPP region (shaded)

Even in light of this favorable forecast and despite the number of gas supply sources within its region, SPP has heeded the call for review of current practices. In 2012 SPP formed a Gas-Electric Coordination Task Force to help assess SPP's existing practices and potential areas of improvement. The task force meets regularly in open meetings with participation by SPP staff,

SPP member representatives, representatives from the gas pipelines, and various state regulatory commissions. Through this effort, SPP has assessed its current situational awareness in the context of gas-supply reliability and has begun implementing enhancements for added stability.

With regard to SPP's current situational awareness practices, the majority of communications regarding gas supply currently occur between SPP's electric generation stakeholders and their suppliers. Nonetheless, SPP has historically engaged in a reliability coordination function that begins with the monitoring for and review of email notifications of gas pipeline events. Currently, SPP personnel monitor notifications of events ranging from scheduled maintenance outages to instances of constrained pipeline segments and to emergency outages of pipeline segments. Most commonly, SPP receives email notifications from gas pipeline operators or owners identifying expected maintenance activities and the associated generator that would be affected by that maintenance. If necessary, SPP operations personnel conduct conference calls with generation operators to explore alternatives for responding to the outage, including requests for rescheduling of any maintenance.

At this point, SPP has already made enhancements to its existing practices for situational awareness. In the event direct communications with any gas-industry representatives proves necessary to better address a reliability issue, SPP has compiled a list of gas industry contacts for utilization during various operational situations. Specifically, SPP has created a database of all its generators' gas pipeline contacts to ensure communications are expedited and conducted with the proper industry personnel. SPP has worked with members of the gas supply industry to conduct workshops designed to increase SPP staff knowledge regarding the roles and practices of players such as gas pipeline operators and marketers. SPP intends to continue these types of

periodic events and other measures to educate its staff and its stakeholders through increased dialogue with representatives of the gas supply industry.

Other enhancements SPP has undertaken include (1) the development of plans for initiation of coordinating telephone calls as necessary during gas-supply events and (2) the identification of any single-point-of-failure concerns in the SPP region. SPP has also developed gas-supply-specific desktop displays for its operators. These displays demonstrate updated information regarding (1) gas pipeline structure in the SPP region, (2) gas-generation plants in the context of the gas pipeline grid, and (3) any gas-industry bulletin board notifications. It is SPP's intention to apply all information gleaned from the foregoing sources to its daily electric plan to preserve reliability.

With regard to long-term enhancements to its situational awareness practices, SPP is continuing to develop additional systems to enhance real-time and pre-event knowledge of issues affecting gas-supply and related generation. For example, SPP is designing desktop alarms for its operators that would be triggered by gas industry bulletin board notifications. It is intended that such alarms will identify specific pipeline segments and generating units impacted by gas industry notifications. SPP intends to capitalize on these enhancements to better adjust its daily electric generation plan and preserve reliability during crucial operating conditions such as peak load conditions or inclement weather.

III. CONCLUSION

Through this statement, SPP has intended to describe its existing coordination and reliability practices with respect to gas supply, enhancements SPP has made to those practices, and additional enhancements SPP intends to employ in the future. SPP believes it is important to view these practices in the context of its regional footprint, which has a robust gas-supply

infrastructure and no recent history of gas-supply reliability issues. As the natural gas industry's role in electric generation develops, SPP acknowledges the increasing interdependence between the industries merits serious consideration from economic and reliability standpoints. SPP is pleased FERC has spurred and facilitated discussions between industry representatives.

However, of the information developed thus far in the conferences and the numerous comments, one of the most compelling facts is that key differences exist between regions with regard to gas-supply realities. After reviewing its own situational awareness practices and after hearing the reports and views expressed by others across the country, SPP does not perceive a need for additional rules or standards applicable to its region. SPP believes any measures FERC initiates as a result of this review process should be regionally tailored and flexible as opposed to a one-size-fits-all approach.

Respectfully submitted,

/s/ Don Shipley
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May 16, 2013