

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Mississippi Power & Light Company) Docket No. ER80-261

PETITION TO INTERVENE

I.

Pursuant to the Notice of Filing issued in this docket by the Commission on March 6, 1980, the Cities of Clarksdale and Greenwood, Mississippi, herewith file this petition for intervention, in accordance with Section 1.8 and 1.10 of the Commission's Rules of Practice.

II.

Clarksdale and Greenwood ("Cities"), through the Municipal Energy Agency of Mississippi, arranged well over a year ago for the delivery of power and energy to Gulf States Utilities for redelivery to MP&L and further delivery to Cities. It is the interface arrangement between Gulf States and MP&L which the instant filing is designed to cover. As we shall note, there seems to be considerable question as to what types of transactions can be carried out over that interconnection between Gulf States and MP&L under this contract, and considerable question as to whether the terms of the contract as filed are just and reasonable. No other party can represent Cities' interests here and Cities may be bound by the Commission's action in this proceeding. Consequently, Cities are entitled to intervention herein. Since this petition is filed on behalf of two entities, rather than separate petitions being filed for each, Cities request, in the interest of reducing proliferation of filed documents, that the following names and addresses be placed upon the official service list:

Mr. Marvin Carraway
Assistant Superintendent
Clarksdale Water & Light Department
P.O. Box 940
Clarksdale, Mississippi 38614

Mr. Charles M. Matthews
Manager
Greenwood Utilities Commission
P.O. Box 866
Greenwood, Mississippi 38930

David R. Hunt, Esq.
Sullivan, Hunt, Spell, Henson,
& Chapman
P.O. Box 1196
123 Court Street
Clarksdale, Mississippi 38614

Robert C. McDiarmid, Esq.
Spiegel & McDiarmid
2600 Virginia Avenue, N.W.
Washington, D.C. 20037

III.

Cities have engaged in litigation with MP&L before this Commission (FERC Docket Nos. ER78-583 and ER78-584), which forms a backdrop to this filing. In the Settlement Agreement reached in those dockets, MP&L entered into certain commitments with Cities and with the Municipal Energy Agency of Mississippi ("MEAM"). While there is apparently some argument yet remaining as to MP&L's obligation to transmit from the Gulf States interconnection, absent an interconnection agreement with Gulf States, MP&L undertook expeditiously to conclude an agreement with Gulf States that would moot the question of its obligation.

We understand that negotiations between MP&L and Gulf States proceeded upon a very erratic basis. Cities have been given quite different representations as to the course of these negotiations from information received from the two sides. Compare, e.g., the filing letter here with Attachment A hereto. Cities have also been in receipt of letters from MP&L's corporate sibling, Louisiana Power & Light ("LP&L"), which first appeared as though LP&L might be threatening suit if MP&L in fact transmitted power or energy over its interconnection with Gulf States. If that communication was intended as a threat, Cities believe it has been withdrawn by a subsequent communication from LP&L.

Cities are not privy to the reasons behind this filing of an unconsented to interconnection "agreement". From an operating point of view, Cities find it difficult to understand how an interconnection "agreement" could be expected to operate without provisions for accounting for payments for the transactions which take place under the

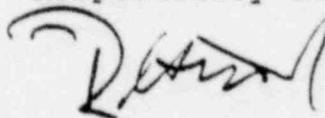
agreement. If no service schedules are necessary, it would seem to bear out Cities' contention all along that no interconnection agreement was in fact necessary for transmission from the Gulf States point of interconnection with MP&L, a contention which MP&L has heretofore vigorously disputed. Cities are aware of one very salient point to them; no energy has in fact been transmitted over the interconnection. While Cities may have their own views as to which of the parties to the interconnection "agreement" might be at fault in this regard, it seems clear that the interconnection "agreement" will not operate without at least acquiescence on both sides. As a consequence, Cities urge that the "agreement" be accepted for filing, suspended for one day, and set for rapid hearing. Cities also urge an investigation of this arrangement by Staff so that the efficiencies available to the Cities, and the parties to the "agreement" available from transactions over this interconnection be permitted to take place. Since Cities are by no means sure of the reasons of Gulf States or MP&L for their positions, we urge that a expeditious conference of the parties be convened, so that it can be determined whether the problems apparent here are real for anyone other than Cities and, if real, resolved.

IV.

CONCLUSION

For the foregoing reasons, Cities urge that the Commission accept this "interconnection agreement" for filing, suspend its operation for one day, and set the issue of its justness and reasonableness for immediate conference and hearing.

Respectfully submitted,



Robert C. McDiarmid

Counsel for Cities of
Clarksdale and Greenwood,
Mississippi

March 28, 1980

Law Offices Of:

Spiegel & McDiarmid
2600 Virginia Avenue, N.W.
Washington, D.C. 20037



GULF STATES UTILITIES COMPANY

POST OFFICE BOX 2951 • BEAUMONT, TEXAS 77704

AREA CODE 713 838-6631

December 14, 1979

Mr. H. L. Stampley, Vice President
Mississippi Power & Light Company
P. O. Box 1640
Jackson, Mississippi 39205

POOR ORIGINAL

Dear Norris:

As you are aware, we have been negotiating for months upon an appropriate interconnection agreement between our companies. Early in the year we exchanged drafts. In May we submitted to you a revised draft which we thought contained the significant changes you had requested. At that time we thought the agreement was substantially in final form for execution.

In mid-October you submitted to us a totally new draft of a proposed interconnection agreement, stating that it was adapted from one you had recently executed. Since your recent draft is significantly different in important respects from the previous drafts, we have tried to reconcile the differences, hopefully so as to permit each of us to be consistent with respect to the services we respectively offer.

With this in mind, we have taken your draft and made a few proposed revisions to it. Attached is a copy of your draft containing our proposed revisions. In the areas in which our respective positions differ materially or which are not covered in your proposed form of agreement, we suggest that each company incorporate its provisions into its service schedules.

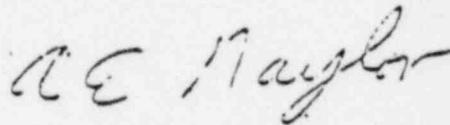
For instance, we have provisions in our interconnection agreements regarding continuity of service and billing and settlement which are either not covered by or differ from the provisions in your proposed agreement. We suggest that our standard provisions be incorporated in the GSU service schedules attached to the interconnection agreement, and you incorporate your standard provisions in your service schedule. This would hopefully allow each of us to be consistent in imposing the same provisions with respect to services offered by each of us within our own service areas. If this sounds like an acceptable alternative, please let me know and we will promptly submit to you a proposed GSU transmission service

schedule with our conditions included in it. We will also make the appropriate modifications, as outlined above, to our other service schedules which were included in the May draft. We would expect you to add the billing and settlement provisions which were contained in your interconnection agreement to your service schedules.

We have discussed with you our need for transmission service on your system. This letter constitutes our formal request that transmission service be made available to us on substantially the same basis as that we understand you are now offering to others. For this reason, we expect the interconnection agreement at least to include initially a service schedule providing such transmission service.

Please let us have your comments as soon as possible.

Sincerely,



A. E. Naylor
Manager-Power Interconnections

AEN:am
Attachment

cc: ✓ Mr. C. M. Mathews
Vice Chairman - MEAM

Mr. Charles Burchfield
Commissioner - MEAM

Mr. Jack Davey
Vice President & Chief Engineer - LP&L

Mr. John F. Vogt, Jr.
Vice President - Middle South Services

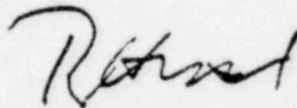
Mr. Marvin L. Carraway
Secretary-Treasurer - MEAM

ROOM ORIGINAL

VERIFICATION

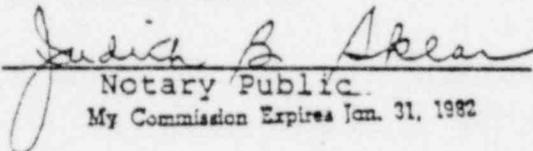
DISTRICT OF COLUMBIA, SS:

Robert C. McDiarmid, being first duly placed upon affirmation, deposes and says that he is an attorney for the Cities of Clarksdale and Greenwood, Mississippi, and that as such he has signed the foregoing PETITION TO INTERVENE for and on behalf of said parties; that he is authorized by the parties so to do; that he has read said Comments and is familiar with the contents thereof; and that the matters and things therein set forth are true and correct to the best of his knowledge, information and belief.



Robert C. McDiarmid

Subscribed and sworn to
before me this 28th day
of March, 1980.

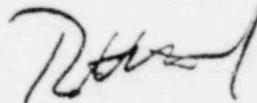


Judith B. Sklar
Notary Public
My Commission Expires Jan. 31, 1982

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Section 1.17 of the Rules of Practice and Procedure.

Dated at Washington, D.C. this 28th day of March, 1980.



Robert C. McDiarmid

POOR ORIGINAL

City of Clarksdale

PROGRAMMED FOR PROGRESS!*Water and Light Department*

POST OFFICE BOX 940

CLARKSDALE, MISSISSIPPI 38614

February 13, 1980

RECEIVED

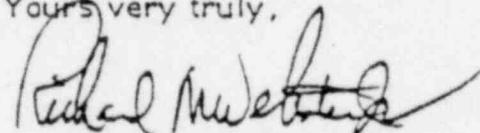
FEB 19 1980

Mr. Jack Davey **SPIEGEL & McDIARMID**
 Vice President and Chief Engineer
 Louisiana Power & Light Company
 142 Delaronde Street
 New Orleans, Louisiana 70174

Dear Mr. Davey:

Clarksdale is in receipt of your letter of February 5, 1980, which apparently threatens some sort of suit if Mississippi Power & Light Company agrees with Gulf States Utilities Company to transmit power from its interconnection with Gulf States to the City of Clarksdale, as we believe it has promised it would do in the course of a settlement reached and filed at the Federal Energy Regulatory Commission. As we understand it, LP&L seeks payment for transmission based upon a "load flow" rather than a "contract path" basis, a method heretofore unused in the Southwest Power Pool transactions. The Municipal Energy Agency of Mississippi and its Members, Clarksdale and Greenwood, would be pleased to consider the use of a true "load flow" transmission rate if it is to be proposed. As we understand it, that would result in a single "postage stamp" rate for all of the Southwest Power Pool, and would be considerably less expensive than the double rate (for MP&L and Gulf States) which your corporate affiliate, MP&L, has insisted upon. If you are proposing a true load flow basis, I am sure that all of the people to whom you wrote will be pleased to negotiate with you within the context of the Southwest Power Pool. If, of course, you mean to state that LP&L seeks a third full transmission rate based upon its own costs, we believe you are incorrect conceptually, as well as incorrect legally. We would appreciate clarification in this regard.

Yours very truly,



Richard M. Webster, Jr.
 Mayor

cc: Mr. A. E. Naylor
 Mr. W. L. Stampley
 Hon. Kenneth F. Bowen
 Mr. C. M. Mathews
 Steven Richard
 Mr. J. C. McDiarmid, Esq.



LOUISIANA
POWER & LIGHT / 142 DELARONDE STREET
P. O. BOX 8008 • NEW ORLEANS, LOUISIANA 70174 • (504) 366-2345

February 25, 1980

JACK DAVEY
Vice President
and Chief Engineer

RECEIVED

Hon. Richard M. Webster, Jr. MAR 4 1980
Mayor, City of Clarksdale
Post Office Box 940 SPIEGEL & McDIARMID
Clarksdale, Mississippi 38614

Dear Mayor Webster:

We have your letter dated February 13, 1980.

We are unable to find any indication in our past correspondence of any threat of a suit or litigation of any kind, and we hope that nobody involved in this transaction will go in that direction.

All that we were saying to the interested parties was, and is, that Louisiana Power & Light Company cannot and will not transmit electricity over its facilities without being paid for that transmission.

Respectfully yours,

Jack Davey
Vice President and Chief Engineer

JD:cb

cc: Mr. A. E. Naylor
Mr. N. L. Stampley
Hon. Kenneth F. Bowen
Mr. C. M. Mathews
Mr. Sylvan Richard

Middle South Operating Committee