

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeem G. Kelly.

Hot Spring Power Company, LP

Docket No. ER05-1419-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued May 5, 2006)

1. On March 16, 2006, Hot Spring Power Company, LP (Hot Spring), submitted an offer of settlement to dispose of all the outstanding issues between Hot Spring and Entergy Services, Inc. (Entergy)<sup>1</sup> in this proceeding, related to the locked-in period in the instant case.
2. On August 31, 2005, Hot Spring filed its proposed Rate Schedule FERC No. 2 supporting the specified revenue requirement for the provision of Reactive Support and Voltage Control from Generation Sources Service within the Entergy Arkansas, Inc. transmission system. On October 25, 2005, the Commission issued an order that accepted the filing, suspended it for a nominal period, to be effective September 1, 2005 through October 31, 2005 (locked-in-period) subject to refund, and established settlement judge and hearing procedures.<sup>2</sup>
3. The parties agree that Entergy will make a negotiated, one-time payment to Hot Spring of \$150,000, in lieu of the proposed revenue requirement set forth in the Hot Spring Rate Schedule applicable to the locked-in period. This payment will be implemented pursuant to the settlement.

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<sup>1</sup> Entergy Services Inc. is the agent for the Entergy Operating Companies which include: Entergy Arkansas, Inc.; Entergy Gulf States, Inc.; Entergy Louisiana, Inc.; Entergy Mississippi, Inc.; and Entergy New Orleans, Inc. (collectively, Entergy).

<sup>2</sup> *Entergy Services, Inc.*, 113 FERC ¶ 61,088 (2005).

4. Initial comments in support of the settlement were filed by the Commission's Trial Staff on April 5, 2006. No other comments were filed. On April 19, 2006, the settlement was certified to the Commission as uncontested.

5. The subject settlement is in the public interest and is hereby approved. The Commission's approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission retains the right to investigate the rates, terms, and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. §824e (2000).

6. This order terminates Docket No. ER05-1419-000.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.