

125 FERC ¶ 61,031
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Entergy Services, Inc.

Docket No. ER08-513-001

ORDER ACCEPTING TARIFF AMENDMENT

(Issued October 10, 2008)

1. Entergy Services, Inc. (Entergy)¹ submitted for filing a proposed amendment to Attachment V (Weekly Procurement Process) of its Open Access Transmission Tariff (OATT). The amendment addresses the start-up date of the Weekly Procurement Process. The Weekly Procurement Process² is part of the package of changes that established Southwest Power Pool, Inc. (SPP) as the Independent Coordinator of Transmission (ICT) for the Entergy system. In this order, we accept, to be effective October 10, 2008, as requested, the proposed amendment.

I. Background

A. General

2. On May 5, 2008, the Commission conditionally accepted and suspended amendments to Entergy's Weekly Procurement Process.³ Given that the ICT had raised concerns over some of the proposed changes to the Weekly Procurement Process model, we found it premature to implement the system on May 11, 2008, as requested by

¹ Entergy made its filing on behalf of the Entergy operating companies, which are Entergy Arkansas, Inc., Entergy Gulf States Louisiana, LLC, Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc.

² The Weekly Procurement Process is unique and is intended as an optimized procurement process. It is designed to allow merchant generation and other wholesale suppliers to compete to serve Entergy's native load customers and network customers through offers submitted to Entergy's Weekly Operations. It also establishes an additional mechanism for granting short-term firm transmission service through redispatch.

³ *Entergy Services, Inc.*, 123 FERC ¶ 61,125 (2008) (May 2008 Order).

Entergy. Instead, we accepted and suspended Entergy's proposed tariff amendments for five months, to become effective October 11, 2008, or on an earlier date if the ICT⁴ agreed that the model was ready, subject to Entergy filing the required tariff revisions no later than 60 days before that date.

B. Proposed Amendment to the Weekly Procurement Process

3. In this filing, Entergy proposes to amend Attachment V so that there is no confusion about the effective date. Entergy states that it and its software vendors worked diligently to produce software that would develop results consistent with the intent of Attachment V. Entergy explains that because the Weekly Procurement Process models and software have not been tested successfully, the ICT, at this time, is unable to support starting the Weekly Procurement Process now. Entergy therefore proposes to amend Attachment V to provide that the Weekly Procurement Process "shall take effect on such date determined by the ICT and Weekly Operations, but in no event prior to a date approved by the Commission following completion of successful simulation trials and the ICT's endorsement of [Weekly Procurement Process] start-up." Also consistent with the May 2008 Order, Entergy will make a compliance filing 60 days before the Weekly Procurement Process is started, including the other OATT revisions directed in the May 2008 Order, and proposing a new effective date for Attachment V.

4. Entergy requests that this revision to Attachment V become effective on October 10, 2008. Entergy also requests that the Commission waive the requirements in Part 35 of the Commission's regulations as necessary to permit the OATT amendment to become effective as requested.

II. Notice and Responsive Pleadings

5. Notice of Entergy's filing was published in the *Federal Register*, 73 Fed. Reg. 53,858 (2008), with interventions and protests due on or before September 19, 2008.

6. The Council of the City of New Orleans (New Orleans Council) filed comments. New Orleans Council urges the Commission to reject Entergy's filing because it would allow the indefinite postponement of a key requirement of the ICT proposal. It states that Entergy should be directed to focus its resources on the Weekly Procurement Process and identify a specific date by which the Weekly Procurement Process will be implemented.

III. Discussion

7. We will accept this amendment because Entergy is proposing this change to meet the conditions on the effective date for start-up of the Weekly Procurement Process

⁴ The ICT is responsible for overseeing the development and implementation of the Weekly Procurement Process.

established in the May 2008 Order. We will require Entergy to file a software development progress report three months from the date of this order if Entergy has not made its Weekly Procurement Process implementation filing before that time. This progress report must detail the reasons for the continued delay and the steps being taken to resolve the remaining issues that are postponing the start-up of the Weekly Procurement Process.

8. We agree with New Orleans Council that the Weekly Procurement Process should not be postponed indefinitely. As noted in the May 2008 Order, Entergy originally estimated that the Weekly Procurement Process would take fourteen months from the date of an order accepting the ICT proposal to implement.⁵ While that did not happen, Entergy has continued to work on the Weekly Procurement Process with its software vendors and with the input and oversight of the ICT. In addition, the Commission has reviewed the progress through quarterly reports filed by the ICT and through the quarterly Stakeholder Policy Committee meetings. The Commission recognizes that the Weekly Procurement Process is an integral part of the ICT, and is committed to seeing Entergy successfully implement it despite the continuing delays. Nevertheless, the software must be fully developed and tested and endorsed by the ICT before the Weekly Procurement Process can be implemented. Accordingly, we find that the software development progress report will ensure that the Weekly Procurement Process is not postponed indefinitely, and therefore, deny the New Orleans Council's request that we reject Entergy's filing.

The Commission orders:

(A) Entergy's tariff amendment is hereby accepted to become effective October 10, 2008, as requested, as discussed in the body of this order.

(B) Entergy is required to file a software development progress report three months from the date of this order if the Weekly Procurement Process implementation filing still has not been made.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁵ May 2008 Order at P 55.