

127 FERC ¶ 61,225
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Entergy Services, Inc.

Docket No. ER09-555-001

ORDER ON CLARIFICATION AND REHEARING

(Issued June 5, 2009)

1. In this order, the Commission grants a request for clarification from Entergy Services, Inc. (Entergy) of the Commission's order in *Entergy Services, Inc.*, 126 FERC ¶ 61,227 (2009) (March 17 Order). The Commission also grants in part and denies in part a request for clarification or, in the alternative, rehearing from Southwest Power Pool, Inc. (SPP).

2. In the March 17 Order, the Commission conditionally accepted proposed amendments to Attachment V to Entergy's open access transmission tariff related to the establishment of the Weekly Procurement Process (WPP). The Commission also ordered additional reporting requirements of Entergy and SPP, as the Independent Coordinator of Transmission (ICT), to allow the Commission to make an informed determination regarding the costs and benefits of the WPP at the time of the end of its term.

Requests for Clarification and Rehearing

3. In its request for clarification, Entergy notes that one of the reports that the Commission required the ICT to submit involves the level of savings that Entergy's retail customers received during the four-year WPP experimental period. Entergy states that many factors can affect the purchases made during a specific period of time, making it difficult to compare the time periods before and after the implementation of the WPP. Entergy asks the Commission to clarify that its March 17 Order was not intended to prohibit it from including additional information to explain the meaning of the data the Commission requested, or to provide different data that could help address whether the WPP is working as anticipated, whether and how the WPP can be improved, and the level of WPP benefits.

4. SPP requests clarification regarding the historical baseline study required by the Commission in the March 17 Order. This study involves the use of historical data for transactions Entergy and its customers engaged in with third-party suppliers for the

twelve months prior to implementation of the WPP. SPP states that in order for the baseline study to provide a useful comparison for purposes of evaluation, the transactions with third-party suppliers must be at least of the same duration as those granted in the WPP. Accordingly, SPP states that it intends to limit its study to any previously accrued savings related to transactions with third-party suppliers for daily or weekly transmission service under Entergy's prior weekly Request for Proposal procurement process. SPP requests clarification that it has the proper understanding of the baseline study.

5. SPP also requests clarification regarding the inclusion of Entergy's other network customers in the baseline study. SPP states that Entergy's Energy Management Organization is currently the only participating network customer in the WPP. If, SPP argues, its baseline study included other network customers, this could skew the results of any comparison of cost savings. SPP seeks confirmation that Entergy's other network customers are properly excluded from the historical study. SPP states that if another Entergy network customer chooses to participate in the WPP, SPP will include the customer in the study for the relevant time period.

6. In the alternative, SPP requests rehearing on the scope of the baseline study.

Discussion

7. The Commission grants Entergy's request for clarification that parties, including the ICT, will not be precluded from providing additional data or explanation regarding the baseline study of historical data that the Commission has required. Indeed, the Commission fully expects the ICT, as the entity charged with preparing the study, to supplement its analysis with any additional data or explanation that it believes may be needed to allow the Commission and interested parties to properly understand the analysis and interpret its conclusions. As Entergy notes, given that the WPP is a new and unique process, and given that a number of factors can affect the level of WPP success, such additional material could prove beneficial as the WPP is evaluated further in the future. We emphasize, however, that any additional data and explanation that the ICT chooses to supply should be presented as a supplement to, not a replacement for, the study that the Commission has required.

8. The Commission also grants SPP's request for clarification that transactions that are included for analysis in the baseline study should be of the same duration as transactions that are arranged through the WPP. We agree with SPP that to ensure an appropriate comparison of cost savings from third-party supplier transactions, the baseline study should be limited to an analysis of accrued savings that resulted from transactions utilizing daily or weekly transmission service under Entergy's prior weekly Request for Proposal procurement process, and the equivalent procurement practices of Entergy's other network customers.

9. We deny SPP's request for clarification and request for rehearing that it may exclude Entergy's other network customers from the baseline study. Rather than skewing the results, including historical data for other network customers in the baseline study is in fact necessary to ensure that study results will provide a meaningful comparison between historical cost savings and the savings that may be attributed to the WPP. While the Commission realizes that these other network customers may not now be participating in the WPP, it is important that we have available relevant information concerning transactions with terms of one week or less in which they engaged prior to the WPP start-up. This information will provide a useful complement to the information that the ICT must provide quarterly on the savings that accrue to Entergy and each of its network customers as a result of any transactions with third-party suppliers that occurred outside of the WPP.¹

The Commission orders:

(A) Entergy's request for clarification is hereby granted, as discussed in the body of this order.

(B) SPP's request for clarification or, in the alternative, rehearing is hereby granted in part, and denied in part, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

¹ See March 17 Order, 126 FERC ¶ 61,227 at P 90 ("In addition, to allow comparison of savings with the WPP to savings prior to the WPP, in each quarterly report on the operation of the WPP, the ICT should report the savings that accrued to Entergy and each of its network customers as a result of transactions with third-party suppliers that occurred outside of the WPP during the quarter.").