

135 FERC ¶ 61,015  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Marc Spitzer, Philip D. Moeller,  
John R. Norris, and Cheryl A. LaFleur.

Entegra Power Group LLC  
Gila River Power, L.P.  
Union Power Partners, L.P.  
Entegra Power Services LLC  
EPG LLC  
Entegra TC LLC

Docket No. EC11-44-000

ORDER GRANTING INTERIM EXTENSION OF CURRENT AUTHORIZATIONS

(Issued April 8, 2011)

1. On February 15, 2011, Entegra Power Group LLC (Entegra), Gila River Power, L.P. (Gila River), Union Power Partners, L.P. (Union Power), Entegra Power Services LLC (Power Services), EPG LLC (EPG), and Entegra TC LLC (Entegra TC) (collectively, Applicants) filed an application pursuant to sections 203(a)(1) and 203(a)(2) of the Federal Power Act (FPA)<sup>1</sup> requesting reauthorization for blanket authority for future transfers and acquisitions of voting equity interests as originally authorized in Docket Nos. EC06-78-000 and EC07-37-000,<sup>2</sup> subject to certain modifications, for an additional three-year term.
2. Applicants state that, without an extension of the Existing Blanket Authorizations, secondary market trades of equity interests in Entegra (Entegra Units), to the extent that Commission authorization is required for such trades and is not provided by any other

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<sup>1</sup> 16 U.S.C. § 824b (2006).

<sup>2</sup> *Entegra Power Group LLC*, 115 FERC ¶ 62,038 (2006) (April 10, 2006 Order), as amended by *Entegra Power Group LLC*, 118 FERC ¶ 61,181 (2007) (March 5, 2007 Order), *Entegra Power Group LLC*, 119 FERC ¶ 62,218 (2007) (June 13, 2007 Order) and *Entegra Power Group LLC*, 123 FERC ¶ 61,006 (2008) (April 3, 2008 Order). The blanket authorizations granted in these orders are referred to as the Existing Blanket Authorizations.

applicable blanket authorizations, would no longer be authorized effective after April 9, 2011. Applicants explain that secondary market trading of Entegra Units is important to allow current and future investors in Entegra to maintain the liquidity of their investments.

### **Background**

3. Entegra is a Delaware limited liability company that holds indirectly all of the equity interests in Gila River and Union Power (the Project Companies) and Power Services. The Project Companies and Power Services are wholly owned by EPG, a Delaware limited liability company. EPG, in turn, is wholly owned by Entegra TC, a Delaware limited liability company, and certain intermediate entities that are wholly-owned by Entegra TC, which, in turn, is wholly-owned by Entegra. Each current owner of Entegra Units is either a bank, institutional investor, financial institution, investment company or related entity that is not primarily engaged in energy-related business activities (each an Entegra Members).

4. Gila River owns and operates three of the four power blocks (each a Power Block) that comprise a natural gas-fired, combined-cycle generating facility in Arizona (the Gila River Facility) that is interconnected to the transmission system of Arizona Public Service Company (APS). Each of the Power Blocks has an approximate installed capacity of 550 megawatts (MW). Power Blocks 1, 3 and 4 are owned by Gila River, and Power Block 2 is owned by Sundevil Power Holdings, LLC. The Gila River Facility is located in its own generator-only balancing authority area, which has no load other than station power loads when the Gila River Facility is operating. Gila River is an exempt wholesale generator (EWG) and sells wholesale power at market-based rates primarily into the APS and Salt River Project (SRP) balancing authority areas, within the Western Electricity Coordinating Council (WECC) region.

5. Union Power owns and operates a natural gas-fired, combined-cycle generating facility with an approximate installed capacity of 2,200 MW in Arkansas that is interconnected with the transmission system of Entergy Arkansas, Inc., an operating company of Entergy Corporation (Entergy). Union Power is an EWG and sells wholesale power within the Entergy balancing authority area at market-based rates.

6. Power Services provides certain non-power related services to Entegra, Gila River and Union Power. Power Services does not own any electric generation or transmission assets or interstate natural gas transportation or storage assets. Power Services is authorized to sell wholesale energy, capacity and ancillary services at market-based rates.

7. The original blanket authorizations for certain future transfers of equity interests in Entegra were granted in the April 10, 2006 Order. The Commission granted Applicants authority under section 203(a)(1) of the FPA, for a two-year period beginning

April 10, 2006, for future transfers of Entegra Units in the secondary market, provided that the acquiring party:

(a) is a financial institution or related entity that is not primarily engaged in energy-related activities and is not affiliated with a traditional utility with captive customers;

(b) does not individually or collectively with affiliates own five percent or more of the voting interests in any public utility that has interests in any generating facilities or that engages in jurisdictional activities within the Entergy and ASP/SRP control areas; and

(c) will hold less than 20 percent of the Entegra Units.<sup>3</sup>

8. The April 10, 2006 Order also granted blanket authorization under section 203(a)(2) of the FPA for future acquisitions of Entegra Units in the secondary market to any holding company in a holding company system that includes a transmitting utility or an electric utility under the same conditions applicable to future section 203(a)(1) transactions.

9. In the March 5, 2007 Order, the Commission revised the blanket authorizations in the April 10, 2006 Order by clarifying that an acquiring entity or its affiliates may own five percent or more of the voting interests in a power marketer that engages in jurisdictional activities within the Entergy or APS/SRP balancing authority areas so long as such affiliated power marketer does not own or control generation or transmission in the subject balancing authority areas.

10. In the June 13, 2007 Order, the Commission amended the authorization in the April 10, 2006 Order to reflect restructuring of the upstream ownership of the Project Companies effective on April 19, 2007.

11. In the April 3, 2008 Order, the Commission extended the authorization in the April 10, 2006 Order, as amended, for an additional three-year period, until April 10, 2011. The Commission also amended the reporting requirement in the April 10, 2006 Order to require the filing of reports within 45 days of the close of each calendar quarter.

12. In the February 15, 2011 filing, Applicants request that the Commission extend the effectiveness of the Existing Blanket Authorizations for an additional three-year period. Applicants also propose certain amendments to the conditions in the Existing Blanket Authorizations. First, Applicants request that the Commission increase from 5 percent to

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<sup>3</sup> April 10, 2006 Order at 2.

10 percent the limitation on the amount of voting interests that an acquiring party may, individually or collectively with its affiliates, own in any public utility that has interests in any generating facilities or that engages in jurisdictional activities within the relevant geographic markets for the Project Companies. The Applicants cite to the Commission's regulations and precedent for support.<sup>4</sup> Second, Applicants propose to revise the relevant market areas identified in the Existing Blanket Authorizations. Applicants explain that the Commission has recently indicated that it does not recognize the combined APS/SRP balancing authority areas as being the appropriate market area for the Gila River facility.<sup>5</sup> Accordingly, Applicants propose to include the APS and SRP balancing authority areas separately, rather than as a combined area.

### **Notice of Filing, Interventions and Protests**

13. Notice of Applicants' filing was published in *Federal Register*, 76 Fed/ Reg. 10,345 (2011), with interventions and protests due on or before March 8, 2011. None was filed.

### **Commission Determination**

14. Applicants seek to extend the effectiveness of the Existing Blanket Authorizations for an additional three-year period and propose two amendments to those authorizations. The Commission finds that further consideration is required to determine whether Applicants' proposal to modify and extend the Existing Blanket Authorizations meets the standards of section 203(a)(4) of the FPA. The Commission, however, grants Applicants an interim extension of the Existing Blanket Authorizations pending this review.

### **The Commission orders:**

(1) The effectiveness of Applicants' Existing Blanket Authorizations is extended on an interim basis pending Commission review and further order on Applicants' request to modify and extend the Existing Blanket Authorizations for an additional three-year period.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>4</sup> February 15, 2011 filing at 7-8.

<sup>5</sup> February 15, 2011 filing at 8.