

155 FERC ¶ 61,272
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Entergy Arkansas, Inc.

Docket No. ER16-644-000

ORDER AUTHORIZING DECOMMISSIONING REVENUE REQUIREMENT,
GRANTING LIMITED WAIVER, AND REQUIRING COMPLIANCE FILING

(Issued June 16, 2016)

1. On December 29, 2015, Entergy Services, Inc. (Entergy), on behalf of Entergy Arkansas, Inc. (Entergy Arkansas), sought authorization to collect, under the MSS-4 Replacement Tariff,¹ the wholesale portion of the total company decommissioning revenue requirement that the Arkansas Public Service Commission (Arkansas Commission) annually approves for Entergy Arkansas' Arkansas Nuclear One Unit 2 (ANO-2) generating plant. In this order, we authorize Entergy Arkansas to collect the \$155,554 total decommissioning revenue requirement for ANO-2 under the MSS-4 Replacement Tariff, effective January 1, 2016, as requested. We also grant a limited waiver of the section 35.13 filing requirements and require Entergy to submit a compliance filing within 30 days.

I. Background

2. Entergy states that the Arkansas Commission recently increased ANO-2's total company annual decommissioning revenue requirement from zero to \$2,870,000. Accordingly, Entergy seeks authorization to collect the 5.24 percent wholesale portion of the \$2,870,000 total company annual decommissioning revenue requirement, or \$155,554, which reflects each of Entergy Louisiana, LLC's (Entergy Louisiana) and Entergy New Orleans, Inc.'s (Entergy New Orleans) 2.71 percent ANO-2 purchase obligations under their MSS-4 Replacement Tariff Service Agreements.² Entergy's

¹ Entergy Operating Companies Rate Schedule No. 75 – Unit Power Sales/Designated Power Purchase Tariff.

² Entergy Transmittal at 1-4 and Attachment B (December 10, 2015 Arkansas Commission Order No. 63) at 3.

proposal will increase the annual charges associated with Entergy Louisiana's and Entergy New Orleans' 2.71 percent ANO-2 purchase obligations by \$77,777 each.

3. Entergy requests that the Commission: (1) authorize Entergy Arkansas to include in its annual MSS-4 Replacement Tariff rate development the annual total decommissioning revenue requirement as filed with the Arkansas Commission; (2) waive the 60-day notice requirement under section 35.11 of its regulations,³ so as to permit the instant decommissioning revenue requirement to take effect on January 1, 2016, to match the effective date for the recovery of the redetermined decommissioning costs for ANO-2 in retail rates in 2016; and (3) waive the full filing requirements under section 35.13 of its regulations,⁴ given the narrow scope of the filing.

4. On February 26, 2016, Commission staff notified Entergy that its filing was deficient, and directed Entergy to provide, within 30 days, the ANO-2 decommissioning study, underlying workpapers, and cost support that justify the new \$2,870,000 total company annual decommissioning revenue requirement.⁵

II. Notice of Filing and Responsive Pleadings

5. Notice of the filing was published in the *Federal Register*, 81 Fed. Reg. 234-235 (2016), with protests and interventions due on or before January 19, 2016. The Arkansas Commission and the Louisiana Public Service Commission filed notices of intervention. The Council of the City of New Orleans (New Orleans Council) filed a notice of intervention and limited protest stating that it does not oppose Entergy's proposal to recover \$77,777 in increased annual decommissioning costs under the MSS-4 Replacement Tariff, but protests Entergy's request that the MSS-4 Replacement Tariff automatically track any future changes in the annual total company decommissioning cost that the Arkansas Commission approves for ANO-2. The New Orleans Council opposes waiver of the notice requirements for future changes in the ANO-2 annual decommissioning revenue requirement, on grounds that allowing the changes to flow through without Commission review would impair the Commission's ability to ensure that the rates are just and reasonable.⁶

³ 18 C.F.R. § 35.11 (2015).

⁴ 18 C.F.R. § 35.13 (2015).

⁵ Commission staff February 26, 2016 Deficiency Letter (Deficiency Letter).

⁶ New Orleans Council Protest at 3-4.

6. On February 3, 2016, Entergy filed an answer to the New Orleans Council's limited protest, clarifying that in the future, Entergy will file a request with the Commission before changing ANO-2's annual decommissioning revenue requirement.⁷ Entergy states that the New Orleans Council will have the opportunity to review and participate in any Commission proceeding established to set the decommissioning revenue requirement for ANO-2 under the MSS-4 Replacement Tariff.

7. On March 8, 2016, Entergy submitted its response to the Deficiency Letter (Deficiency Letter Response). Notice of the Deficiency Letter Response was published in the *Federal Register*, 81 Fed. Reg. 13,783 (2016), with protests and interventions due on or before March 29, 2016. None was filed.

III. Discussion

A. Procedural Matters

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the notices of intervention serve to make the entities that filed them parties to this proceeding.

9. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept Entergy's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Issues

10. We authorize Entergy to collect \$155,554 as the wholesale portion of ANO-2's annual total company decommissioning revenue requirement under the MSS-4 Replacement Tariff, effective January 1, 2016, as requested. As discussed below, we are requiring Entergy to include its annual decommissioning revenue requirement for ANO-2 in eTariff. Accordingly, in the future, if Entergy seeks to change the ANO-2's annual decommissioning revenue requirement from that authorized here, it will be required to make a filing pursuant to section 205 of the Federal Power Act (FPA).⁸

11. Entergy's filing, as supplemented by the Deficiency Letter Response, provides sufficient information for the Commission to grant Entergy's request for waiver of the

⁷ Entergy Answer at 3.

⁸ 16 U.S.C. § 824d (2012). See *Old Dominion Elec. Coop.*, 133 FERC ¶ 61,261, at P 5 (2010).

full filing requirements under section 35.13 of the Commission's regulations. However, in any future filing under section 205 of the FPA in which Entergy seeks to change the annual decommissioning revenue requirement, it must include: (1) an updated ANO-2 decommissioning study; and (2) the underlying workpapers and cost support that demonstrate how Entergy developed and updated decommissioning costs and determined the revised decommissioning amount that it seeks to include in the MSS-4 Replacement Tariff formula.

12. Finally, within 30 days of the date of this order, Entergy shall make a compliance filing in eTariff format⁹ to revise the MSS-4 Replacement Tariff to reflect the increase in the ANO-2 annual decommissioning revenue requirement from zero to \$155,554, so as to ensure the requisite electronic tariff databases reflect the Commission's action in this order.¹⁰

The Commission orders:

(A) Entergy's filing is hereby accepted, effective January 1, 2016, as discussed in the body of this order.

(B) Entergy's request for waiver of the full filing requirements in section 35.13 of the Commission's regulations is hereby granted, as discussed in the body of this order.

(C) Entergy's request for waiver of the notice requirements in section 35.11 of the Commission's regulations is hereby granted in part and denied in part, as discussed in the body of this order.

(D) Entergy is hereby directed to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁹ *Electronic Tariff Filings*, Order No. 714, FERC Stats & Regs. ¶ 31,276 (2008).

¹⁰ *Id.*