

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Entergy Services, Inc.

Docket No. ER05-696-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued January 6, 2006)

1. On October 7, 2005, Entergy Services, Inc.¹ and the parties² submitted an offer of settlement (settlement) to dispose of all the outstanding issues between them in this proceeding.
2. The settlement resolves issues related to Service Schedule MSS-1 (Reserve Equalization) for the Entergy System Agreement. The MSS-1 Service Schedule governs the allocation among the Entergy Operating Companies of costs for generation capability and reserves on the Entergy System. On March 11, 2005, Entergy filed revisions to the System Agreement and the MSS-1 Service Schedule. One revision clarified the definition of “capability” in the Entergy System Agreement, another modified the definition of “company capability” in Service Schedule MSS-1, and a third redefined which units would be used to determine

¹ 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).

² The Louisiana Public Service Commission (LPSC), Arkansas Public Service Commission, Mississippi Public Service Commission, Council of the City of New Orleans, Arkansas Electric Cooperative Corporation, Arkansas Electric Energy Consumers, Inc., Occidental Chemical Corporation, and the Louisiana Energy Users. The LPSC was the only entity that protested Entergy’s filing. All parties either support or do not oppose the settlement, and the LPSC approved the settlement on October 19, 2005.

pricing under MSS-1. On May 9, 2005, the Commission issued an order that accepted the filing, suspended it for a nominal period subject to refund, and established settlement judge and hearing procedures.³

3. On May 18, 2005, a Settlement Judge was appointed and a settlement in principle was reached on August 17, 2005, after a number of settlement conferences. On October 27, 2005, Commission Trial Staff filed initial comments in support of the settlement. No other comments were filed. On December 15, 2005, the Settlement Judge certified the settlement to the Commission as uncontested.⁴

4. The settlement is in the public interest and is hereby approved. The rate schedule submitted as part of the settlement is properly designated in compliance with Order No. 614 and is accepted for filing and made effective as set forth in the settlement. *See Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221, (FERC Statutes & Regulations, Regulations Preambles July 1996 – December 2000, ¶ 31,096 (2000)).

5. 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. ER05-696-000.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

³ *Entergy Services, Inc.*, 111 FERC ¶ 61,198 (2005).

⁴ *Entergy Services, Inc.*, 113 FERC ¶ 63,035 (2005).