

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Occidental Chemical Corporation & Carville Energy
LLC

Docket No. EL06-106-000

v.

The Louisiana Public Service Commission

NOTICE OF INTENT NOT TO ACT

(November 17, 2006)

1. On September 18, 2006, in Docket No. EL06-106-000, Occidental Chemical Corporation and Carville Energy LLC, a subsidiary of Calpine Corporation, (collectively, Petitioners), filed a petition for enforcement action pursuant to section 210(h)(2) of the Public Utility Regulatory Policies Act of 1978 (PURPA).¹
2. Petitioners state that on July 12, 2006, the Louisiana Public Utilities Commission (the Louisiana Commission) issued an order approving an avoided cost methodology that understates Entergy's avoided energy costs. This order approved a settlement agreement that requires Entergy to calculate its avoided costs for unscheduled QF energy payments by taking into account not only its own generating resources, but also energy that it would have purchased from other sources, but for the QF puts. Petitioners claim that the methodology adopted by the Louisiana Commission systematically understates Entergy's avoided energy costs. Petitioners ask the Commission to institute an enforcement proceeding against the Louisiana Commission to prevent implementation of the Louisiana Commission's order.

¹ 16 U.S.C. § 824a-3(h) (2000).

3. Notice is hereby given that the Commission declines to institute an enforcement action under section 210(h)(2) of PURPA.

By direction of the Commission.

(S E A L)

Magalie R. Salas,
Secretary.