

147 FERC ¶ 61,253
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 26, 2014

In Reply Refer To:
Entergy Services, Inc.
Docket No. ER13-1194-000

Entergy Services, Inc.
101 Constitution Ave. NW
Washington, DC 20001

Attention: Erin M. Murphy, Esq.

Dear Ms. Murphy:

1. On October 18, 2013, in the above-referenced proceeding, Entergy Services, Inc. on behalf of Energy Arkansas, Inc. (Entergy Arkansas) and Arkansas Electric Cooperative Corporation (AECC) (collectively, Settling Parties) filed an Offer of Settlement (Settlement) between Energy Arkansas and AECC pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission.¹
2. On March 29, 2013, Entergy Services, Inc. filed on behalf of Entergy Arkansas the 2013 Wholesale Formula Rate Update for AECC. The filing was made in accordance with the Power Coordination Interchange and Transmission Service Agreement (PCITSA) between Energy Arkansas and AECC, and redetermines certain formula rate charges.² The Settling Parties state that they initiated discussions between themselves to

¹ 18 C.F.R. § 385.602 (2013).

² The 2013 Wholesale Formula Rate Update filing specifies that certain formula rate charges are redetermined in accordance with several agreements: (1) Joint Stipulation in Docket No. ER95-49-000 as revised by the 24th amendment to the PCITSA in Docket No. ER96-1116-000; (2) the Settlement Agreement accepted in Docket No. ER98-2028-000 in the 1998 Formula Rate Update proceeding; (3) the Settlement Agreement accepted in Docket No. ER03-599-000 in the 2003 Formula Rate Update proceeding; (4) the Settlement Agreement accepted in Docket No. ER04-663-000

(continued...)

resolve issues identified in AECC's protest,³ among other things. As a result, the Settling Parties state that they reached a comprehensive settlement in principle on September 25, 2013, that resolves all issues raised by AECC regarding Entergy Arkansas' 2013 Wholesale Formula Rate Update. The Settling Parties encourage the Commission to accept this Settlement without condition or modification and to issue a final order in this docket.

3. The terms of the Settlement specify that the Settling Parties agree to a black-box monthly transmission demand rate of \$1.51/kW, replacing the \$1.54/kW rate shown on Schedule A.1 to Entergy Arkansas' 2013 Wholesale Formula Rate Update. The Settling Parties also agree to a black-box monthly distribution demand rate of \$0.79/kW.

4. The Settlement provides that:

[t]his Settlement Agreement may only be amended by the agreement in writing of all the Parties hereto. The standard of review for any modifications to this Settlement Agreement that are not agreed to by all the Parties, including any modifications resulting from the Commission acting *sua sponte*, shall be the just and reasonable standard of review. For proposed modifications by non-parties to the Settlement Agreement, the Parties also accept the just and reasonable standard of review. *See Devon Power LLC*, 126 FERC ¶ 61,027 (2009), *citing Maine Pub. Util. Comm'n v. FERC*, 520 F.3d 464 (D.C. Cir. 2008).⁴

5. The Settlement resolves all issues in dispute in this proceeding. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

in the 2004 Formula Rate Update proceeding; and (5) the Settlement Agreement accepted in Docket Nos. ER07-628-000, ER07-629-000, and ER07-630-000 in the 2007 Formula Rate Update proceeding. Entergy Arkansas 2013 Wholesale Formula Rate Update Transmittal at 1.

³ On May 31, 2013, AECC filed a motion to intervene and protest Entergy Arkansas' 2013 Wholesale Formula Rate Update filing.

⁴ Settlement, Section II: Terms & Conditions at P 5.

6. This order terminates Docket No. ER13-1194-000.

By direction of the Commission.

Kimberly D. Bose,
Secretary.