

148 FERC ¶ 61,055
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Entergy Services, Inc.
Midcontinent Independent System
Operator, Inc.

Docket No. ER14-98-000

ORDER DENYING CLARIFICATION

(Issued July 22, 2014)

1. On October 15, 2013, the Midcontinent Independent System Operator, Inc. (MISO) and Entergy Services, Inc. (Entergy Services), on behalf of Entergy Gulf States Louisiana, L.L.C. (Entergy Gulf States Louisiana), Entergy Louisiana, LLC (Entergy Louisiana), and Entergy New Orleans, Inc. (Entergy New Orleans) (together, the Entergy Louisiana Companies), submitted for filing a Joint Pricing Zone Revenue Allocation Agreement between the Entergy Louisiana Companies (Louisiana Revenue Allocation Agreement).¹ The Commission accepted the Louisiana Revenue Allocation Agreement for filing, subject to the outcome of the proceedings in Docket Nos. ER13-432-000 and ER14-73-000.²
2. On January 16, 2014, the Council of the City of New Orleans (Council of New Orleans) filed a request for clarification of the Louisiana Revenue Allocation Agreement Order. As discussed below, we deny the Council of New Orleans' request for clarification.

I. Background

3. As explained in the Louisiana Revenue Allocation Agreement Filing, the Louisiana Revenue Allocation Agreement provides for the allocation of revenues that

¹ Joint Pricing Zone Revenue Allocation Agreement, Docket No. ER14-98-000 (filed Oct. 15, 2013) (Louisiana Revenue Allocation Agreement Filing).

² *Entergy Services, Inc.*, 145 FERC ¶ 61,246 (2013) (Louisiana Revenue Allocation Agreement Order).

MISO will distribute to the Louisiana joint transmission pricing zone (Louisiana Transmission Pricing Zone) under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff), which includes the Entergy Louisiana Companies' transmission facilities. Pursuant to the MISO Transmission Owners Agreement, when there is more than one transmission owner in a transmission pricing zone, the transmission owners in the zone must appoint a single transmission owner to receive the revenues allocated to the transmission pricing zone and to further distribute those revenues among the owners.³ The Louisiana Revenue Allocation Agreement identifies Entergy Louisiana as the host transmission owner that will receive the revenues from MISO for the Louisiana Transmission Pricing Zone and establishes the allocation mechanism for those revenues among the transmission owners in that zone.⁴ As the designee for the Louisiana Transmission Pricing Zone, Entergy Louisiana will receive the revenues from MISO, and will then allocate those revenues among itself, Entergy Gulf States Louisiana, and Entergy New Orleans in accordance with the Louisiana Revenue Allocation Agreement.⁵

4. The Commission accepted the Louisiana Revenue Allocation Agreement for filing, subject to the outcome of the proceedings in Docket Nos. ER13-432-000 and ER14-73-000. In its order, the Commission found that the Council of New Orleans had “demonstrated that some of the defined terms included in the Louisiana Revenue Allocation Agreement” were currently at issue in Docket Nos. ER13-432-000 and ER14-73-000 and that the Commission should accept the agreement subject to the outcome of those proceedings. The Commission also accepted a commitment offered by the Entergy Louisiana Companies to make, following a Commission order in Docket No. ER13-432-000 and ER14-73-000, a future compliance filing either: (a) notifying the Commission that no changes to the Louisiana Revenue Allocation Agreement are required; or (b) amending the Louisiana Revenue Allocation Agreement consistent with any orders issued in Docket Nos. ER13-432-000 and ER14-73-000. In addition, the Commission accepted the Entergy Louisiana Companies' commitment to true-up any payments made prior to resolution of those dockets consistent with any changes to the terms Responsibility Ratio and Load Responsibility that might be required.⁶

5. In addition to its arguments concerning the pending contested proceedings in Docket Nos. ER13-432-000 and ER14-73-000, the Council of New Orleans protested the Louisiana Revenue Allocation Agreement to the extent that it is based upon the premise

³ *Id.* P 2.

⁴ *Id.*

⁵ *Id.* P 3.

⁶ *Id.* P 23.

of a Louisiana Transmission Pricing Zone that incorporates the Entergy Louisiana Companies. The Council of New Orleans argued that, as it demonstrated in Docket No. ER12-2681-000, *et al.*,⁷ forcing Entergy New Orleans into a Louisiana-wide transmission pricing zone is unjust and unreasonable.

6. The Commission rejected the Council of New Orleans' arguments, explaining that the Council of New Orleans had previously filed a number of pleadings setting out its position on those issues in the Entergy-ITC Rates and the Entergy-ITC Merger Proceedings.⁸ As those issues were pending on rehearing in the Entergy-ITC Rates Proceeding, the Commission stated that it would address the Council of New Orleans' arguments in that proceeding, rather than in this proceeding.

II. Request for Clarification

7. In its request for clarification, the Council of New Orleans recognizes that the Commission conditioned approval of the Louisiana Revenue Allocation Agreement on the outcome of the proceedings in Docket Nos. ER13-432-000 and ER14-73-000. The Council of New Orleans requests, however, that the Commission clarify that "in addition to the conditions specified in the ordering paragraph, the Commission's approval of the [Louisiana Revenue Allocation Agreement] is also conditioned on the outcome of Docket

⁷ *ITC Holdings Corp.*, 143 FERC ¶ 61,257 (2013) (Entergy-ITC Rates Order), *order on reh'g*, 143 FERC ¶ 61,111 (2014) (Entergy-ITC Rates Rehearing Order). In the Entergy-ITC Rates Order, the Commission addressed two separate proposals regarding the integration of the Entergy Operating Companies' transmission facilities into MISO: (1) Docket No. ER13-948-000, which addressed the integration of the Entergy Operating Companies into MISO; and (2) Docket Nos. ER12-2681-000 and ER13-782-000, which addressed the issues raised by a proposed transaction in Docket No. EC12-145-000 pursuant to which the transmission assets of the Entergy Operating Companies would be transferred to certain subsidiaries of ITC Holdings Corp. (ITC) (New ITC Operating Companies) (Entergy-ITC Transaction) prior to the integration of those transmission assets into MISO. We refer to the consolidated proceedings as the Entergy-ITC Rates Proceeding. On December 13, 2013, the New ITC Operating Companies filed a motion to withdraw the filings in Docket Nos. ER12-2681-00 and ER13-782-000. Further, on December 13, 2013, ITC and Entergy filed a Notice of Termination of Transaction in Docket No. EC12-145-000, notifying the Commission that the Entergy-ITC Transaction would not occur.

⁸ *See* Protest, Request for Rehearing and Motion to Consolidate of the Council of the City of New Orleans at n.27, Docket No. ER14-98-000 (filed Nov. 5, 2013) (listing various pleadings filed by the Council of New Orleans in the Entergy-ITC Rates and the Entergy-ITC Merger Proceedings contesting the Louisiana Transmission Pricing Zone).

No. ER13-948-000, where the [Louisiana Transmission Pricing Zone] issue is currently being litigated.”⁹

III. Discussion

8. We deny the request for clarification. In the Louisiana Revenue Allocation Agreement Order, the Commission stated that it would address the Council of New Orleans’ concerns regarding the formation of the MISO transmission pricing zones for the Entergy Operating Companies in the appropriate proceeding, Docket No. ER13-948-000. In an order issued after the Louisiana Revenue Allocation Agreement Order, the Commission addressed the Council of New Orleans’ concerns and denied rehearing on this issue, confirming that the Louisiana Transmission Pricing Zone is just and reasonable.¹⁰ Accordingly, we deny the request for clarification.

The Commission orders:

The motion for clarification is denied, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁹ Motion for Clarification of the Council of the City of New Orleans at 2, Docket No. ER14-98-000 (filed Jan. 16, 2014).

¹⁰ See *ITC Holdings, Corp.*, 146 FERC ¶ 61,111, at PP 26-44 (2014).