

148 FERC ¶ 61,178
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

(September 8, 2014)

In Reply Refer To:
Entergy Arkansas, Inc.
Entergy Gulf States Louisiana, L.L.C.
Entergy Louisiana, LLC
Entergy Mississippi, Inc.
Entergy New Orleans, Inc.
Entergy Texas, Inc.
Docket Nos. ER13-1508-000
ER13-1509-000
ER13-1510-000
ER13-1511-000
ER13-1512-000
ER13-1513-000

Entergy Services, Inc.
Attention: Jennifer Amerkhail
101 Constitution Ave., NW
Suite 200 East
Washington, DC 20001

Dear Ms. Amerkhail:

1. On June 12, 2014, Entergy Services, Inc. (Entergy), as agent for and on behalf of the Entergy Operating Companies (Operating Companies),¹ filed a Partial Settlement Agreement that resolves certain issues concerning the Unit Power Sales and Designated Power Purchases Tariff (Unit Power Sales Tariff), which Entergy filed with the

¹ The Operating Companies are Entergy Arkansas, Inc. (Entergy Arkansas), Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc. and Entergy Texas, Inc.

Commission on May 17, 2013.² On July 2, 2014, Commission Trial Staff filed comments supporting the Partial Settlement Agreement. No parties filed comments.³ On July 16, 2014, the Settlement Judge certified the Partial Settlement Agreement as uncontested.⁴

2. Entergy filed the Unit Power Sales Tariff to govern existing and future transactions between Entergy Arkansas and its Operating Company affiliates once Entergy Arkansas withdrew from the Entergy System Agreement (System Agreement), ceased providing service under Service Schedule MSS-4 of the System Agreement and, along with the other Operating Companies, joined the Midcontinent Independent System Operator, Inc. (MISO).⁵ The Unit Power Sales Tariff is also designed to govern unit power sales and designated power purchase transactions between Operating Companies as additional Operating Companies withdraw from the System Agreement. The Partial Settlement Agreement, at section II (1)-(3), resolves all issues related to the Unit Power Sales Tariff's pass-through of MISO ancillary services charges and credits, uplift charges and credits, and administrative charges, but reserves for hearing and decision the issue of the return on equity (ROE) to include in the Unit Power Sales Tariff's monthly capacity charge formula.

3. Section II (3) of the Partial Settlement Agreement further provides that:

[Entergy] agrees that if it is ultimately determined by the Presiding Administrative Law Judge or the Commission that the existing transactions as well as new transactions are within the scope of the issues that the Commission set for administrative hearing, [Entergy] has the burden to show that the ROE it proposed in the May 17, 2013 filing is just and reasonable for both the new and existing transactions. If it is determined

² In an order issued on December 16, 2013, the Commission accepted the Unit Power Sales Tariff, suspended it for a nominal period, to become effective December 19, 2013, subject to refund and established hearing and settlement judge procedures. *Entergy Ark., Inc., et al.*, 145 FERC ¶ 61,216 (2013).

³ The parties to this proceeding are the Louisiana Public Service Commission, the Council of the City of New Orleans and Arkansas Public Service Commission.

⁴ *Entergy Ark., Inc., et al.*, 148 FERC ¶ 63,005 (2014).

⁵ Entergy Arkansas withdrew from the System Agreement and the Operating Companies joined MISO effective December 18, 2013 and December 19, 2013, respectively.

that only new transactions are within the scope of the issues set for hearing, [Entergy] agrees that it has the burden to show that its proposed ROE is just and reasonable for those new transactions.

4. Section II (7) of the Partial Settlement Agreement provides for changes to the Partial Settlement Agreement as follows:

This 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*, will 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).

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

By direction of the Commission.

Kimberly D. Bose,
Secretary.