

156 FERC ¶ 61,142
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 30, 2016

In Reply Refer To:
Entergy New Orleans, Inc. and
Entergy Louisiana, LLC
Docket No. ER16-1087-000

Entergy Services, Inc.
101 Constitution Avenue, NW
Suite 200 East
Washington, DC 20001

Attention: Karis Anne Gong Parnham,
Senior Counsel

Reference: Settlement Payment Agreement

Dear Ms. Parnham:

1. On March 7, 2016, pursuant to section 205 of the Federal Power Act,¹ Entergy Services, Inc. (Entergy), on behalf of Entergy New Orleans, Inc. (Entergy New Orleans) and Entergy Louisiana, LLC (Entergy Louisiana), submitted for filing an executed Agreement for Settlement Payments Associated with the Division of the Louisiana Transmission Pricing Zone (Payment Agreement). As discussed below, we accept Entergy's filing, effective September 1, 2016, as requested.

2. Entergy states that on December 29, 2015, the Commission approved a settlement agreement (Settlement Agreement) relating to the termination of the Entergy System Agreement.² According to Entergy, the Settlement Agreement provides, as relevant here, that (1) the Entergy System Agreement will terminate effective August 31, 2016; (2) a

¹ 16 U.S.C. § 824d (2012).

² *Entergy Ark., Inc.*, 153 FERC ¶ 61,347 (2015) (December 29 Order).

separate transmission pricing zone within Midcontinent Independent System Operator, Inc. (MISO) will be established for Entergy New Orleans, to be effective upon the date of termination of the Entergy System Agreement; (3) Entergy New Orleans will make 180 monthly payments to Entergy Louisiana³ each in the amount of \$183,333.33 beginning the month after the later of the date of Entergy System Agreement termination or Commission approval of a separate transmission pricing zone for Entergy New Orleans;⁴ (4) a separate agreement will be filed at the Commission to effectuate these payments; and (5) the Entergy Operating Companies or MISO will make the necessary regulatory filings to effectuate the purposes of the Settlement Agreement.⁵

3. Entergy states that the Payment Agreement is consistent with, and results from, the Settlement Agreement. Specifically, Entergy states that the Payment Agreement provides that Entergy New Orleans will make monthly payments in the amount of \$183,333.33 to Entergy Louisiana until 180 total such monthly payments have been made, beginning on the first day of the month following the later of the date of Entergy System Agreement termination or Commission approval of a separate transmission pricing zone for Entergy New Orleans. Entergy states that both Entergy New Orleans and Entergy Louisiana agree that the monthly payments are the result of fair, arms-length negotiations, which also included the participation of their state retail regulators, which are the Louisiana Public Service Commission (Louisiana Commission) and the Council of the City of New Orleans, Louisiana (Council of New Orleans).⁶

³ Entergy states that on October 1, 2015, Entergy Gulf States Louisiana, L.L.C. and EL Investment Company, LLC (the company formerly known as Entergy Louisiana, LLC) completed a transaction in which they combined substantially all of their respective assets and liabilities into a single successor public utility operating company, Entergy Louisiana Power, LLC, which then changed its name to Entergy Louisiana, LLC. Transmittal at 2.

⁴ Proposed revisions to MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff to establish a new transmission pricing zone for Entergy New Orleans were accepted effective September 1, 2016. *Midcontinent Indep. Sys. Operator, Inc.*, Docket No. ER16-967-000 (Apr. 22, 2016) (delegated letter order).

⁵ Transmittal at 1-2.

⁶ *Id.* at 2-3.

4. Additionally, Entergy requests waiver of the Commission's notice requirements set forth in section 35.3(a)(1) of the Commission's regulations because the requested effective date of the Payment Agreement will be more than 120 days after Entergy's filing.⁷ Entergy states that the number of filings contemplated by the Settlement Agreement and the Entergy Operating Companies' desire for an orderly transition upon termination of the Entergy System Agreement justify the earlier filing of the Payment Agreement.⁸

5. Notice of Entergy's March 7, 2016 filing was published in the *Federal Register*, 81 Fed. Reg. 12,891 (2016), with interventions and protests due on or before March 28, 2016. The Council of New Orleans filed a notice of intervention. The Louisiana Commission filed a notice of intervention and comments.

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2016), the notices of intervention serve to make the entities that filed them parties to this proceeding.

7. In its comments, the Louisiana Commission states that, as to section 1.2 of the Payment Agreement, in the event that there is modification, termination, or renegotiation of the Payment Agreement as contemplated by that section, such modification, termination, or renegotiation should be subject to the approval of the parties' respective retail regulators.⁹

8. We accept Entergy's filing, effective September 1, 2016, as requested.¹⁰ We find that the Payment Agreement is consistent with the terms of the Settlement Agreement, which was approved by the Commission.¹¹ Additionally, we find that the comments of the Louisiana Commission are moot because section 1.2 of the Payment Agreement

⁷ 18 C.F.R. § 35.3(a)(1) (2016).

⁸ Transmittal at 3.

⁹ Louisiana Commission March 28, 2016 Comments at 1-2.

¹⁰ We find good cause to grant waiver of the Commission's 120-day notice requirement, 18 C.F.R. § 35.3(a)(1), to permit Entergy's requested effective date.

¹¹ December 29 Order, 153 FERC ¶ 61,347 at P 4.

contemplates the modification, termination, or renegotiation of the Payment Agreement only if the Commission denies or approves it with modification, which is not the case here.

By direction of the Commission. Commissioner Honorable is not participating.

Kimberly D. Bose,
Secretary.