

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeem G. Kelly.

Perryville Energy Partners, L.L.C.

Docket Nos. ER05-191-000
ER05-191-001

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued August 3, 2005)

1. On May 25, 2005, Perryville Energy Partners, L.L.C. (PEP) and Entergy Louisiana, Inc. (ELI) jointly filed an Offer of Settlement to reflect the settlement in principle negotiated with the Commission's Trial Staff (Trial Staff) in the above-referenced proceeding. This settlement resolves all issues pending in this proceeding, which concerns the PEP cost-of-service transmission rate schedule.

2. This Offer of Settlement arises from PEP's sale of a generation-only facility to ELI. Under this sale, PEP retains the interconnection facilities, and is to provide service to ELI, which is the only entity served over these interconnection facilities. By order issued October 6, 2004, the Commission disclaimed jurisdiction over this sale.¹ On November 5, 2004, PEP filed the executed Interconnection and Service Charge Agreement between PEP and ELI. This agreement includes PEP's proposed cost-of-service rate schedule, and establishes the rates, terms and conditions under which PEP will provide interconnection services to ELI. On March 22, 2005, the Commission accepted the Interconnection and Service Charge Agreement, to be effective on the date that the sale is finalized, and suspended the Agreement pending a hearing regarding the justness and reasonableness of the proposed rate for transmission service.²

¹ *Perryville Energy Partners, L.L.C.*, 109 FERC ¶ 61,019 (2004), *reh'g denied*, 111 FERC ¶ 61,006 (2005).

² *Entergy Louisiana, Inc.*, 110 FERC ¶ 61,300 (2005).

3. Under the terms of the Settlement, PEP will revise Appendix B to the Interconnection and Service Charge Agreement (PEP's FERC Electric Tariff, Original Volume No. 2, Original Sheet No. 22) to provide for a Monthly Interconnection Services Charge of \$86,508.00, which represents a reduction from the filed Monthly Interconnection Services Charge to ELI, which ELI agrees to pay. The submittal of the revised tariff sheet as part of this Offer of Settlement constitutes the filing of the revised tariff sheet by PEP pursuant to section 205 of the Federal Power Act.

4. On or before March 1, 2009, PEP will make an informational filing with the Commission showing the actual Operations and Maintenance and General and Administrative costs, and the actual property taxes it incurred during the three calendar-year period (2006-2008) to operate the Interconnection Facilities and to provide Interconnection Service to ELI. The informational filing will not be deemed to be a rate filing pursuant to section 205 of the Federal Power Act.

5. On June 3, 2005, Trial Staff submitted initial comments in support of the Offer of Settlement. No other comments were received. On June 13, 2005, the Presiding Administrative Law Judge certified the Offer of Settlement to the Commission as uncontested.

6. The Offer of Settlement is in the public interest and is hereby approved. The tariff designations do not comply with the Designation of Electric Rate Schedule Sheets, Order No. 614, FERC Stats. & Regs., Regulations Preambles July 1996-December 2000 ¶ 61,096 (2000). PEP is required to file rate schedule sheets in conformance with Order No. 614 within 30 days of this order approving the settlement.

7. The Commission's approval of the Offer of Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. § 824e (2004).

8. This order terminates Docket Nos. ER05-191-000 and ER05-191-001. A new subdocket in Docket No. ER05-191 will be assigned PEP's rate schedule sheet compliance filing.

By the Commission

(S E A L)

Linda Mitry,
Deputy Secretary.