

**Fact Sheet**  
**Entergy Services, Inc. Operating System**  
**Docket No. EL07-48-000**  
**July 6, 2007**

This order rejects two requests by Entergy Services, Inc. (Entergy), filed March 15, 2007, regarding plans by the company to reflect the costs of generating facilities in the Entergy System Agreement.

Entergy had asked that the Commission deem a generating plant as a system resource, allowing all its costs to be flowed through the System Agreement, when the company's Operating Committee determines it is devoted to serving system load and when a state retail regulator has approved it and found it to be in the public interest.

In the alternative, Entergy had sought an up-front determination that Entergy Gulf State's (EGS) agreement with non-affiliate Calcasieu Power, LLC (an indirect subsidiary of Dynegy, Inc.) to acquire the natural gas-fired Calcasieu Power, LLC generating facility is prudent and that EGS may reflect fully all costs of the facility and flow them through the System Agreement.

- Entergy effectively is asking the Commission to delegate to state commissions and to Entergy itself the determination of the reasonableness of Entergy's Commission-jurisdictional rates.
  - The Commission cannot delegate to a state commission its Federal Power Act ratemaking obligations.
  - The Commission cannot delegate to jurisdictional utilities its obligation to ensure the justness and reasonableness of jurisdictional rates.
- The Commission has found that where there is a strong local interest it may give deference to a state commission on a matter subject to the Commission's jurisdiction.
  - But according deference to a state commission decision where there is a strong local interest is not the same as delegating authority to a state commission – which is what Entergy asks the Commission to do.
- Any decision made by one state commission with jurisdiction over the retail rates of an operating company of Entergy will necessarily have an effect on another operating company of Entergy located in another state.
- Entergy itself admits: “[e]ach retail regulator has an incentive to attempt to shift costs to other jurisdictions.”