

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, and Joseph T. Kelliher.

Entergy Services, Inc.

Docket No. ER04-901-000

ORDER ACCEPTING UNCONTESTED OFFER OF SETTLEMENT

(Issued June 1, 2005)

1. On February 25, 2005, Entergy Services, Inc., acting as agent for Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., and Entergy New Orleans, Inc. (Entergy), filed a Settlement Agreement (Settlement) in the above-referenced docket on behalf of Entergy and numerous other parties to this proceeding in this docket to be effective March 1, 2005. The Settlement resolves all issues set for hearing related to Entergy's proposed revisions to its standard Generator Imbalance Agreement (GIA). Trial Staff filed comments in support of the Settlement. No other comments were filed. On April 20, 2005, the Settlement Judge certified the Settlement to the Commission as uncontested.

2. On June 1, 2004, Entergy filed proposed revisions to its standard GIA. Among other things, Entergy proposed to add a new Generator Regulation Service (GRS) charge for the generating capacity that Entergy must maintain on-line in order to respond to the moment-to-moment changes between scheduled output and actual generation of independent generators; allow the Entergy Systems Operations Center to curtail non-qualifying Facility Delivering Parties' schedules in the next hour if the regulation burden associated with the delivery of Excess Energy causes Entergy to be unable to safely and reliably serve its load or meet North American Electric Reliability Council operating criteria; modify the default notification option in the GIA from Telephone Notification to Meter Notification; not purchase Excess Energy above 120 percent of a Delivering Party's schedules; add new procedures for delivering Parties to use in order to request Testing Periods, Start-Up Periods and Shut-Down Periods (TSUSD Periods); have Delivering Parties submit a NERC tag to deliver approved TSUSD Periods; clarify that

energy delivered in excess of the approved MW profile amount for a Start-Up or Shut-Down Period will not be purchased; and, add creditworthiness requirements and procedures for Generator Imbalance Service and GRS to protect against the risk of non-payment.

3. On July 30, 2004, the Commission issued an order accepting Entergy's filing, suspending it for five months, permitting it to become effective January 1, 2005, subject to refund, setting the matter for hearing and holding the hearing in abeyance to provide for settlement judge procedures.<sup>1</sup> On December 22, 2004, pursuant to a settlement in principle of the proceeding, Entergy filed a motion to defer the effective date of the revised GIA, including the imposition of charges for GRS service, until March 1, 2005. By notice issued December 23, 2004, the Commission granted Entergy's motion.

4. The subject Settlement Agreement is in the public interest and is hereby accepted. The Commission's acceptance of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. 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. § 824 e (2000).

5. The tariff designations provided with the Settlement Agreement do not comply with the *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs., Regulations Preambles July 1996 – December 2000 ¶ 31,096 (2000). Entergy Services, Inc. is required to file rate schedule sheets in conformance with Order No. 614 within 30 days of this order approving the Settlement.

6. This order terminates Docket No. ER04-901-000.

By the Commission. Commissioner Kelly not participating.

( S E A L )

Linda Mitry,  
Deputy Secretary.

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<sup>1</sup> *Entergy Services, Inc.*, 108 FERC ¶ 61,107 (2004).