

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Arkansas Electric Cooperative Corporation

Docket No. EL05-15-002

v.

Entergy Arkansas, Inc.

East Texas Electric Cooperative, Inc.

Docket No. EL04-134-002

v.

Entergy Arkansas, Inc.

ORDER APPROVING UNCONTESTED PARTIAL SETTLEMENT

(Issued June 1, 2005)

1. On March 18, 2005, Entergy Arkansas, Inc. (EAI) submitted an offer of settlement to dispose of all the outstanding issues between it and the City Water and Light Plant of the City of Jonesboro, Arkansas (CWL) in the above-referenced proceedings.¹ Specifically, the settlement resolves all issues related to purchases and payment of excess energy and all issues related to constrained energy under the Power Coordination and Interchange Agreement (PCIA) between EAI and CWL as well as under the Operating Agreement of the Independence Steam Electric Station, dated November 1, 2000, and the Operating Agreement of the White Bluff Steam Electric Station, dated June 27, 1977. Trial Staff filed comments in support of the settlement. No other comments were filed. On April 26, 2005, the Settlement Judge certified the settlement to the Commission as uncontested.

¹ The other participants in the proceedings are not parties to the offer and their interests are not affected by it.

2. The subject settlement is in the public interest and is hereby approved. The Commission's approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
3. Refunds and payments shall be made pursuant to the settlement.
4. The tariff designations do not comply with *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000). EAI must, therefore, file rate schedule sheets in conformance with Order No. 614 within 30 days of this order approving the settlement.
5. Docket Nos. EL05-15-002 and EL04-134-002 are terminated as to the settling parties.

By the Commission. Commissioner Kelly dissenting in part with a separate statement attached.

(S E A L)

Linda Mitry,
Deputy Secretary.

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(Issued June 1, 2005)

KELLY, Commissioner, *dissenting in part*:

For the reasons I have previously set forth in *Wisconsin Power & Light Co.*, 106 FERC ¶ 61,112 (2004), I do not believe that the Commission should depart from its precedent of not approving settlement provisions that preclude the Commission, acting *sua sponte* on behalf of a non-party, or pursuant to a complaint by a non-party, from investigating rates, terms and conditions under the “just and reasonable” standard of section 206 of the Federal Power Act at such times and under such circumstances as the Commission deems appropriate.

Therefore, I disagree with this order to the extent it approves a settlement that provides “[t]he Mobile-Sierra public interest standard of review applies to Commission review of this Settlement Agreement. . .”

	_____ Sudeen G. Kelly
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