

**Federal Energy Regulatory Commission  
April 20, 2006 Commission Meeting  
Statement of  
Chairman Joseph T. Kelliher**

**E-3: Entergy Services, Inc. (ER05-1065-000)**

"I would like to explain my reasoning on some issues regarding the Independent Coordinator of Transmission (ICT) order, and my rationale for supporting the order.

I support the ICT proposal, as modified by the order, because it is consistent with or superior to Open Access Transmission Tariff (OATT). I believe the ICT will result in improved transparency, high quality transmission service, improved transmission access, and fewer complaints about undue discrimination and preference in transmission service provided by Entergy.

The ICT may facilitate transmission investment by virtue of its involvement in transmission planning and by the greater transparency and confidence it is expected to bring to the planning process.

We reviewed the ICT proposal under section 205 of the Federal Power Act, under the just and reasonable standard. The threshold question is whether the ICT is just and reasonable. Since it is an improvement on the OATT, goes beyond OATT service, and the OATT in turn is just and reasonable, we conclude that the ICT proposal is just and reasonable.

This is the third ICT order approved by the Commission in the past 13 months. However, the jury is still out on the ICT model. It may result in an improvement in the quality of transmission service. Only time will tell. Here, we authorize the Entergy ICT for four years. This is an experiment, albeit a promising experiment.

With respect to participant funding, there is little question the Commission has legal authority to approve participant funding proposals. There had been a perception, however, that we would only consider participant funding in RTO regions. The perception was that we had the discretion to do otherwise, but adamantly refused to exercise it.

The action we are taking today, combined with the Entergy Guidance Order last year, prove that the Commission not only has the legal authority, but is willing to consider participant funding outside RTO regions under the right circumstances, such as those presented in the Entergy service territory.

I look forward to reviewing any rehearing requests."