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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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Docket No. ER05-1065-000

## COMMISSION CONDITIONALLY APPROVES ENTERGY'S INDEPENDENT COORDINATOR OF TRANSMISSION

The Federal Energy Regulatory Commission today gave conditional approval to Entergy Services' proposal for an Independent Coordinator of Transmission (ICT) and extended the initial term of the ICT from two to four years, finding that "substantial benefits" can be brought to market participants and to Entergy's native-load customers.

"Entergy's ICT proposal is intended to improve transparency of transmission information, enhance transmission access, and relieve transmission congestion," the Commission said. In addition, the Commission said the ICT proposal, with limited modifications, is "consistent with or superior to" the open-access transmission tariff.

In this order, the Commission also approves, with modification, Entergy's transmission pricing proposal, which, under certain circumstances would allow transmission customers to be charged costs associated with supplemental upgrades, but would ensure that those customers receive meaningful rights that protect them from the costs of congestion. The Commission also approved, with modification, Entergy's Weekly Procurement Process. This proposal is intended to permit merchant generators and other wholesale suppliers to compete to serve loads that participate in the Weekly Procurement Process, which will be overseen by the ICT. It will also better assure that transmission access will be on a fair and nondiscriminatory basis, the Commission said.

SPP, an Arkansas-based, FERC-approved regional transmission organization (RTO), will be Entergy's ICT. The Commission emphasized in a March 2005 Guidance Order (Docket No. EL05-52) on the Entergy proposal that SPP would have to operate independently from Entergy. The ICT would grant or deny requests for transmission service, calculate available flowgate capability, administer Entergy's Open Access Same Time Information System and perform enhanced planning.

The Commission noted the ICT role for Entergy is based on the particular circumstances of its system, such as significant internal transmission constraints and

problems Entergy has had with data retention. Today's approval is conditioned on Entergy's commitment to proceed with the ICT through the first four years of operation. Entergy will have to file for an extension of the ICT before its termination date if the company wants to continue the program.

The Commission emphasized that its approval of Entergy's ICT and Weekly Procurement Process is based, in part, on Entergy's representation of the benefits associated with successful implementation of the Weekly Procurement Process. "If the Weekly Procurement Process is not operational after 14 months we may re-evaluate all of our approvals..." the Commission stated.

The Commission will also require periodic reports to measure the success of the ICT and the Weekly Procurement Process in meeting Entergy's claimed objectives and to ensure that market participants' concerns are being addressed. The Commission directed Entergy to file a comprehensive report assessing the state of Entergy's transmission system operation within one year after the ICT begins operation. In addition, the ICT must file a publicly available assessment with the Commission and state regulators every 12 months. This assessment should include such information as to documented customer savings.

"The ICT is an experiment, but it is a promising experiment," said Commission Chairman Joseph T. Kelliher. "The ICT should improve the quality of transmission service available to transmission customers in the Entergy service territory. It should enhance the ability of wholesale customers in the region to buy power at a low price, and improve the market access of independent power producers. The reformed planning process should strengthen the grid in the region, lowering wholesale power costs and improving reliability."

Chairman Kelliher added: "Our approvals today also demonstrate that, under appropriate circumstances, the Commission will approve Participant Funding pricing proposals outside RTO and independent system operator regions."

Entergy has five operating companies – Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans.

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