

124 FERC ¶ 61,226  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Entergy Services, Inc.

Docket No. ER08-1484-000

ORDER GRANTING EMERGENCY WAIVER

(Issued September 4, 2008)

1. On September 2, 2008, Entergy Services, Inc. (Entergy), on behalf of Entergy Operating Companies, filed a petition for a temporary and limited waiver of two aspects of Service Schedule MSS-4 of the Entergy System Agreement (MSS-4). Specifically, Entergy requests that the Commission permit the Entergy Operating Companies<sup>1</sup> to enter into MSS-4 transactions for periods shorter than one-month in duration. Entergy also requests that the Commission waive Section 40.09 of MSS-4, which requires prior Commission approval for a resale of power from the Grand Gulf nuclear unit (Grand Gulf). Entergy states that the deviations from MSS-4 would be effective only where an Operating Company has experienced a significant loss of load and will continue only until the emergency conditions resulting from Hurricane Gustav subside. As discussed below, we will approve the limited waivers of MSS-4 so that the affected Entergy Operating Companies may effectively manage their resources in light of Hurricane Gustav.

Background

2. Entergy states that emergency circumstances caused by Hurricane Gustav, resulted in a loss of load and generation by some of the Entergy Operating Companies.<sup>2</sup> Entergy requests two limited waivers of MSS-4 to allow the Entergy Operating Companies to manage their resources.

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<sup>1</sup> The Entergy Operating Companies are Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy Texas, Inc., and Entergy New Orleans, Inc.

<sup>2</sup> Hurricane Gustav arrived at the Gulf Coast on August 29, 2008.

3. MSS-4 governs unit power sales between the Entergy Operating Companies as well as resales of power purchased by one Entergy Operating Company to another Entergy Operating Company. MSS-4 defines a unit power purchase as the purchase of a portion of the capability of a generating resource sold pursuant to MSS-4 that entitles the purchaser to receive the same portion of the total energy generated by that resource each hour. MSS-4 prescribes a formula rate for the sale of the capacity and associated energy of such a generating resource, and that rate is calculated on a monthly basis. Therefore the minimum term of an MSS-4 transaction is generally one month. MSS-4 Section 40.09 requires Commission approval for the resale under MSS-4 of power purchased from Grand Gulf.

4. First, Entergy requests that the Commission waive the one-month minimum term and permit the affected Entergy Operating Companies to enter into MSS-4 transactions for periods shorter than one month. Entergy proposes that the rate for such transactions be calculated in accordance with the current MSS-4 monthly formula rate and then pro rated for the number of days the transactions is in effect. Second, Entergy asks the Commission to permit the Entergy Operating Companies to enter into MSS-4 transactions that include capacity from Grand Gulf without advance Commission approval. It states that the requested waivers would be in effect only where an Entergy Operating Company has experienced a significant loss of load as a result of Hurricane Gustav, and only until the emergency conditions from that hurricane have subsided. Entergy commits to notify the Commission when the deviations from MSS-4 are no longer necessary.

5. Entergy states that it is authorized to inform the Commission that the Louisiana Public Service Commission, the Arkansas Public Service Commission, and the Council of the City of New Orleans either support or do not oppose this filing.

6. Entergy requests a waiver of the 60-day notice requirement so that these temporary waivers of MSS-4 may be effective on September 3, 2008.

### Discussion

7. The Commission finds that good cause exists for expeditiously granting the requested waivers of MSS-4. Entergy has put forth a reasonable method for calculating rates for the transactions that will be in effect for periods of less than one month. We also find that Entergy has demonstrated good cause for waiver of the 60-day prior notice requirement,<sup>3</sup> and the waivers therefore may take effect on September 3, 2008, as requested.

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<sup>3</sup> 16 U.S.C. § 824d (2006); 18 C.F.R. § 35.3(a) (2008).

8. Entergy states that the requested waivers will be in effect only where an Entergy Operating Company has experienced significant loss of load due to Hurricane Gustav, and only until the related emergency conditions have subsided. The Commission understands that it is difficult to predict the extent and the duration of emergency conditions of this nature. We will not, therefore, impose a sunset date on the waivers at this time. We note that Entergy commits to notify the Commission when the waivers are no longer necessary; but if such notification is not submitted within 120 days from the date of this order, Entergy is required to file a report on the status of the waiver 120 days from the date of this order.

9. The Commission intends to assist the Gulf Coast in recovering from the damage caused by Hurricane Gustav and believes that granting the waivers is consistent with that goal. However, if any entities believe themselves to be adversely affected by our actions we urge them to make prompt filings with us so that we may address their concerns.<sup>4</sup>

The Commission orders:

(A) Entergy's request for limited waiver of two aspects of MSS-4 is hereby granted effective September 3, 2008, as discussed in the body of this order.

(B) Entergy is hereby required to notify the Commission when the waivers are no longer necessary, and to file a report on the status of the waiver 120 days from the date of this order if it has not made such notification by that time, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>4</sup> Because of the need to respond quickly to the emergency situation, we are issuing this order without prior notice, but it will be subject to rehearing.