

103 FERC ¶ 61, 125  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
William L. Massey, and Nora Mead Brownell.

Entergy Services, Inc.

Docket No. ER01-2201-000

Generator Coalition

v.

Docket No. EL02-46-000

Entergy Services, Inc.

ORDER FINDING TRANSMISSION PROVIDER'S ALLOCATION  
OF OUTPUT OF QUALIFYING FACILITIES ON ITS TRANSMISSION  
SYSTEM UNREASONABLE AND UNDULY DISCRIMINATORY

(Issued May 5, 2003)

**I. Summary**

1. This order finds that Entergy's<sup>1</sup> practice of allocating all of a qualifying facility's (QF)<sup>2</sup> output to its schedule and, in the event of a shortfall in the generation of electric energy, serving the QF's host load under retail rates is unreasonable and unduly discriminatory. This order benefits customers by treating QFs who wish to participate in the market for the wholesale sale of electric energy comparably to other sellers in that market.

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<sup>1</sup>Entergy Services, Inc., Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., and Entergy New Orleans, Inc. (collectively, Entergy).

<sup>2</sup>A QF is a cogeneration facility or a small power production facility that meets the statutory and regulatory requirements to be a qualifying facility. 16 U.S.C. §§ 796(17),(18) (2000); 18 C.F.R. Part 292 (2002). Many QFs (particularly those that are cogeneration facilities) are associated with and, typically, interconnected with and supply electric energy to, an industrial customer, generally referred to as their "host load." See International Paper Initial Brief at 3 n.5.

## II. Background

### A. The Parties

2. Entergy Corporation is a registered public utility holding company, organized under the laws of the State of Delaware. Entergy Corporation consists of Entergy Services, Inc., and the Entergy Operating Companies, which generate, transmit, distribute and sell electric energy in portions of Arkansas, Louisiana, Mississippi and Texas.
3. The Intervenors are Joint Movers,<sup>3</sup> Calpine Central, L.P. (Calpine), International Paper Company (International Paper), and Occidental Chemical Company (jointly, QF Intervenors). Intervenors either own<sup>4</sup> or purchase electric energy from<sup>5</sup> QFs that interconnect with Entergy's transmission system.

### B. Procedural History

4. On June 1, 2001, Entergy filed revisions to its Generator Imbalance Agreement (GIA) (June 1 filing). A number of parties protested Entergy's filing, and on July 27, 2001, the Commission issued an order directing certain revisions to the June 1 filing, accepting the filing as revised, suspending it for a nominal period, to become effective August 1, 2001, subject to refund, and establishing hearing procedures.<sup>6</sup>

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<sup>3</sup>Joint Movers include Air Liquide America Corporation, L.L.C., Dow Chemical Company, Exxon Mobile Chemical Company and Exxon Mobil Refining & Supply Company, Georgia Gulf Corporation, Occidental Chemical Corporation and PPG Industries, Inc.

<sup>4</sup>Calpine and Joint Movers

<sup>5</sup>International Paper

<sup>6</sup>Entergy Services, Inc., 96 FERC ¶ 61,148 (2001). See International Paper Initial Brief at 4. On August 27, 2001, Entergy submitted a revised GIA in compliance with the July 27 Order (August 27 Compliance Filing). That filing was accepted on September 20, 2001, effective August 1, 2001. See International Paper Initial Brief at 4-5.

5. On January 8, 2002, the Generator Coalition<sup>7</sup> filed a complaint against Entergy alleging that the rates and practices associated with Entergy's GIA are unjust, unreasonable and unduly discriminatory and preferential. On March 28, 2002, the Commission set for hearing certain issues that the complaint raised and consolidated the complaint proceeding with the June 1 filing proceeding.<sup>8</sup>

6. The parties have settled all of the issues in these consolidated proceedings,<sup>9</sup> except for the issue of the allocation of the output of QFs.<sup>10</sup> On July 26, 2002, the Presiding Judge issued an order under Rule 710(a) of the Commission's Rules of Practice and Procedure<sup>11</sup> granting the parties' joint motion for waiver of an initial decision.<sup>12</sup> The parties have, therefore, briefed this issue directly to the Commission.

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<sup>7</sup>The Generator Coalition consists of Calcasieu Power, LLC, Calpine Central, L.P., Exelon Generation Company, LLC, Mirant Americas Energy Marketing, LP, Perryville Energy Partners, LLC, Wrightsville Power Facility, LLC, Mississippi Delta Energy Agency, the Clarksdale Public Utilities Commission, the Public Service Commission of Yazoo City, Occidental Chemical Corporation, PLC II, LLC, Reliant Energy Power Generation, Inc., TECO Power Services Corp., Tenaska Frontier Partners, Ltd., and Williams Energy Marketing & Trading Company.

<sup>8</sup>Generator Coalition v. Entergy Services, Inc., 98 FERC ¶ 61,355 at 62,518, 62,521 (2002). See International Paper Initial Brief at 5.

<sup>9</sup>On December 13, 2002, the Presiding Judge certified an uncontested settlement to the Commission disposing of all issues in these consolidated proceedings except for the QF allocation issues. Entergy Services, Inc., 101 FERC ¶ 63,027 (2002). On January 31, 2003, the Commission approved that settlement. Entergy Services, Inc., 102 FERC ¶ 61,104 (2003).

<sup>10</sup>See International Paper Initial Brief at 5.

<sup>11</sup>18 C.F.R. § 385.710(a) (2002).

<sup>12</sup>Order on Joint Motion to Separate Issue of Allocation of QF Output for Expedited Procedure, issued July 26, 2002. The Joint Motion to Separate Issue included within it the motion for waiver of an initial decision. See Joint Motion to Separate Issue of Allocation of Output for Expedited Procedure (filed July 18, 2002); Entergy Reply Brief at 8.

### III. Discussion

7. A generator supplying Entergy with electric energy according to a schedule submits an hour-by-hour schedule of the electric energy that the generator commits to produce. The generator can fulfill its commitment to this schedule using either network or point-to-point transmission service. A generator that submits a schedule to Entergy indicates to Entergy's transmission organization that generator's intent to provide electric energy in accordance with the schedule. Once a generator submits a schedule, Entergy's transmission organization delivers the electric energy to the receiving party designated in the schedule, regardless of whether the generator actually provides the electric energy. This designated flow of electric energy continues throughout the term of the schedule, unless Entergy curtails the schedule.<sup>13</sup>

8. The issue before us for decision, as the parties stated the issue in their Joint Issues List, and as they presented it to the presiding judge in the motion for waiver of initial decision is:

Is it appropriate for Entergy to allocate the generation output of a facility to first serve scheduled transactions and the remainder to serve unscheduled QF host loads, with shortfalls to [the] QF host load[s] served [by Entergy] under [Entergy's] applicable retail rate schedules?<sup>14</sup>

#### A. Entergy's "Schedules First" Policy

9. Under Entergy's proposed GIA, once a QF has submitted a schedule with Entergy for a wholesale sale, Entergy deems the QF's output to go first to the scheduled transaction, with the remainder deemed to serve the host load.<sup>15</sup> Because of this method of allocating a QF's output, Entergy charges any energy deficiencies to the QF's host

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<sup>13</sup>Entergy Initial Brief at 12; International Paper Initial Brief at 1.

<sup>14</sup>Joint Motion to Separate Issue of Allocation of QF Output for Expedited Procedure at 2; Motion for Waiver of Initial Decision at 2; Entergy Initial Brief at 10; Entergy Reply Brief at 6, Joint Movers Initial Brief at 2, 31.

<sup>15</sup>Entergy Initial Brief at 1-2, 7, 14; Entergy Reply Brief at 3, 7; International Paper Initial Brief at 2-3, 7.

load, which Entergy then supplies under its retail rates.<sup>16</sup> The retail rates include a demand ratchet.<sup>17</sup>

10. Intervenors protest this provision of the GIA. Intervenors assert that when a QF files a schedule with Entergy and experiences a generation shortfall, Entergy's "schedules first" policy prevents the QF from choosing to allocate its output first to meet the needs of its host load and then obtain generator imbalance energy to meet the shortfall in its schedule.<sup>18</sup>

### **B. Intervenors' "Host Load First" Policy**

11. Intervenors propose that Entergy permit QFs to allocate output to their host loads first and to schedules second, if the QFs so choose.<sup>19</sup> Intervenors propose that, when there is a deficiency in QF generation, QFs may, at their discretion, assign their electric energy to their host loads first. Under this policy, Entergy would supply Deficient Energy under the GIA to make up for any deficiency in meeting the QF's schedule. Intervenors refer to this procedure as the "host load first policy."<sup>20</sup>

### **C. Summary of Contrasting Policies**

12. Both policies provide for the provision of deficient energy. The "schedules first" policy supplies deficient energy to the host load under Entergy's retail tariffs (which

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<sup>16</sup>Entergy Initial Brief at 13-14, 39; Entergy Reply Brief at 7.

<sup>17</sup>A demand ratchet can be viewed as essentially a mandatory capacity payment. For example, if there is a one-time deficiency of 10 MW, a ratchet would require the load to make a monthly capacity payment for the 10 MW for the next year, even if the customer never again takes energy. In some cases, if the contract is longer than a year, the demand ratchet could continue for the life of the contract. See International Paper Initial Brief at 19 n.32.

<sup>18</sup>Joint Motion to Separate Issue of Allocation of QF Output for Expedited Procedure at 2; Entergy Initial Brief at 1-2, 7, 14.

<sup>19</sup>See International Paper Initial Brief at 10.

<sup>20</sup>See International Paper Initial Brief at 7.

include a demand ratchet),<sup>21</sup> while the "host load first" policy supplies the deficient energy under the GIA.<sup>22</sup> Under both proposals, QFs essentially make use of deficient energy, but under their preferred "host load first" policy they receive that energy at significantly lower cost.<sup>23</sup>

## **D. Position of the Parties - Entergy**

### **1. Schedules First Policy**

13. Entergy justifies its proposed allocation of QF production on operational grounds. Entergy maintains that what it refers to as its schedules first policy allows it to maintain system reliability.<sup>24</sup> According to Entergy, if it did not assign all of a QF's output first to the QF's scheduled transactions, and then essentially assign what output was left and any energy deficiencies to the QF's host load, it would not know when it was providing generator imbalance service, and would not be able to timely curtail the service when there was insufficient generation to provide it.<sup>25</sup>

### **2. Host Load First Policy**

14. Entergy argues that allowing QFs to serve their host loads first and to receive generator imbalance service when they fail to provide sufficient energy to serve their scheduled loads would be operationally infeasible in real time, unnecessarily require Entergy to make expensive telemetry and billing software upgrades, allow QFs to ignore scheduled energy commitments, and force Entergy to serve QF host loads with generator imbalance energy.<sup>26</sup>

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<sup>21</sup>Up to the point where the deficient energy exceeds the size of the host load.

<sup>22</sup>Up to the point where the deficient energy exceeds the size of the schedule.

<sup>23</sup>See International Paper Initial Brief at 26.

<sup>24</sup>Entergy Initial Brief at 10, 18; Entergy Reply Brief at 14.

<sup>25</sup>Entergy Initial Brief at 10-11, 17, 19; Entergy Reply Brief at 14.

<sup>26</sup>Entergy Initial Brief at 11, 20-22, 40; Entergy Reply Brief at 14-18.

### 3. Other Arguments

#### a. Gaming

15. Entergy submits that allowing QFs to serve their host loads first and receive generator imbalance energy for deficiencies in QF schedules “would allow a generator to withdraw energy from a schedule that it committed to supply and instead use that energy to serve its host load, leaving Entergy to make up the schedule deficiency.”<sup>27</sup>

#### b. Discrimination

16. Entergy argues that its schedules first policy is not discriminatory. Entergy states that it applies this policy in the same manner to all generators transmitting electric energy over the Entergy transmission system, regardless of whether they are QFs or not.<sup>28</sup> According to Entergy, under its schedules first policy, it treats QFs the same as any other generation on its transmission system,<sup>29</sup> given that “[t]he charges applicable to QF host loads are the same as those applicable to all similarly situated retail customers within a jurisdiction[,] . . . which generally are charged for firm or standby retail service.”<sup>30</sup>

#### c. QF Discretion

17. Entergy maintains that since QFs can decide to continue or cut services, it is the QFs, not Entergy, that control what imbalances they will serve under the schedule that they file with Entergy and what imbalances Entergy will serve under their retail tariffs.<sup>31</sup>

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<sup>27</sup>Entergy Initial Brief at 17. See also Entergy Initial Brief at 23-25; Entergy Reply Brief at 14-15.

<sup>28</sup>Entergy Initial Brief at 10, 18; Entergy Reply Brief at 12-14.

<sup>29</sup>Entergy Initial Brief at 31-35, 40-41; Entergy Reply Brief at 4.

<sup>30</sup>Entergy Initial Brief at 16.

<sup>31</sup>Entergy Reply Brief at 37,

#### **d. Retail Sales**

18. Entergy further argues that, since it is serving QF host loads under retail tariffs, QFs can only properly raise their objections with the relevant state commissions, and not before this Commission.<sup>32</sup>

#### **e. Refunds**

19. Entergy opposes Intervenors' request for refunds.<sup>33</sup>

### **E. Position of the Parties - Intervenors**

#### **1. Schedules First Policy**

20. Intervenors point out that, because Entergy assigns a deficiency in QF generation to the host load, rather than to the QF, the host load must pay a retail rate, including a demand ratchet,<sup>34</sup> that is significantly higher than Entergy would charge if it were billing the QF for Deficient Energy under the GIA.<sup>35</sup> Intervenors add that, under Entergy's schedules first policy, a QF could never avail itself of Deficient Energy or automatic schedule adjustments until the size of the deficiency exceeded the size of the host load.<sup>36</sup>

21. Intervenors also state that most of the QFs on Entergy's transmission system do not have the necessary meters to implement the schedules first policy and that implementation of that policy will require the QFs on Entergy's transmission system to install millions of dollars of new metering and telemetry equipment.<sup>37</sup>

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<sup>32</sup>Entergy Initial Brief at 11, 39; Entergy Reply Brief at 5, 41-42.

<sup>33</sup>Entergy Reply Brief at 39-40.

<sup>34</sup>See supra note 17.

<sup>35</sup>International Paper Initial Brief at 6, Calpine Initial Brief at 16-17.

<sup>36</sup>International Paper Initial Brief at 9; QF Intervenors Joint Reply Brief at 22; Joint Movers Initial Brief at 14, 11-12, 17-20.

<sup>37</sup>International Paper Initial Brief at 16-18. See Entergy Initial Brief at 22 n.49.

## **2. Host Load First Policy**

22. Intervenors argue that the host load first policy: (a) allows QFs to take advantage of the automatic schedule-cutting provision of the GIA (while the schedules first policy does not); (b) is much simpler to administer than the schedules first policy; and (c) requires no metering.<sup>38</sup>

## **3. Other Arguments**

### **a. Discrimination**

23. Intervenors also argue that Entergy's schedules first policy is unduly discriminatory, since it results in the imposition of costs on QFs (and their hosts) that are much higher than the costs that other generators on Entergy's transmission system experience.<sup>39</sup>

### **b. Gaming**

24. Intervenors contend that the host load first policy cannot result in gaming because: (a) Entergy has the right under the GIA to curtail the schedules and to cease supplying GIA service within fifteen minutes; and (b) the cost of Deficient Energy under the GIA is at least the market price and is often substantially higher, with a 110 percent adder. Intervenors submit that any attempt at gaming would result in losses for the QFs.<sup>40</sup>

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<sup>38</sup>International Paper Initial Brief at 12-15; QF Intervenors Joint Reply Brief at 11, 23.

<sup>39</sup>Calpine Initial Brief at 17-19, 21-22; QF Intervenors Joint Reply Brief at 12-15.

<sup>40</sup>International Paper Initial Brief at 23-24; QF Intervenors Joint Reply Brief at 15-17.

### c. Refunds

25. Intervenors request that the Commission direct the charging of Deficient Energy rates rather than retail rates, resulting in refunds, with interest, of the retail rates that Entergy has collected under the schedules first policy.<sup>41</sup>

## IV. Commission Decision

26. We find that QFs should be treated comparably to other generation, and insofar as other generation is not subject to a schedules first policy, neither should QFs be subject to such a policy.

27. Unlike other generators who do not produce sufficient energy to meet their schedules, and thus pay for Deficient Energy, under Entergy's schedules first policy QFs do not pay for Deficient Energy but instead Entergy imposes on QF host loads a retail rate, including a demand ratchet - - *i.e.*, a much higher rate.<sup>42</sup> Intervenors present an example in which under the schedules first policy the retail rates that Entergy would charge the host load would be over 1,800 times the Deficient Energy charge for the same deficiency.<sup>43</sup> This sort of excessive and unduly discriminatory charge, really a penalty, effectively excludes QFs from the wholesale electric energy market in the Southeast, because QFs would likely not risk exposing their host loads to such high rates.<sup>44</sup>

28. Entergy acknowledges that, in fact, when an independent power producer (IPP) and a QF have insufficient electric energy to meet their schedules, there is a difference in the way Entergy supplies their insufficient energy. While Entergy supplies imbalance energy to the IPP's load, Entergy deems that the QF has met its schedule but not supplied

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<sup>41</sup>International Paper Initial Brief at 15, 27-30; QF Intervenors Joint Reply Brief at 23.

<sup>42</sup>International Paper Initial Brief at 19-20; QF Intervenors Joint Reply Brief at 11-12; Calpine Initial Brief at 16-17.

<sup>43</sup>International Paper Initial Brief at 20-21; Calpine Initial Brief at 17.

<sup>44</sup>By forcing QFs out of the wholesale electric energy market in the Southeast, Entergy increases its market share. Alternatively, should the QFs stay in the market, Entergy may collect retail rates from host loads that are many times what QFs would pay under the GIA. Entergy has, then, created a situation where it can only win and QFs can only lose, to the detriment of customers for electric energy throughout the Southeast.

the host load and Entergy supplies the QF host load under Entergy's retail rates.<sup>45</sup> That is, under the schedules first policy, a QF host load is subject to retail rates whereas a network customer receives imbalance energy at a much lower rate.<sup>46</sup> Further, under Entergy's schedules first policy, IPPs can avail themselves of automatic schedule adjustments, while QFs cannot.<sup>47</sup>

29. In sum, Entergy's treatment of QFs differs markedly, and unjustifiably, from its treatment of other generation on its system.

30. Entergy, as a transmission provider, should be indifferent to a QF's provision of electric energy to its host load. Entergy should simply monitor whether the QF has met its schedule, as measured at the point of interconnection with Entergy's transmission system. The host loads first policy does this. The schedules first policy does not.<sup>48</sup>

31. Entergy is concerned that under the host load first allocation method QFs may intentionally withdraw electric energy from their schedules to service their host loads.

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<sup>45</sup>Entergy Initial Brief at 35 & n. 81. See International Paper Initial Brief at 23.

<sup>46</sup>See Entergy Initial Brief at 39. See International Paper Initial Brief at 7, 23; QF Intervenors Joint Reply Brief at 12-15.

<sup>47</sup>International Paper Initial Brief at 9; Calpine Initial Brief at 17-18; QF Intervenors Joint Reply Brief at 19-20, 22-23; Joint Movers Initial Brief at 14, 11-12, 17-20.

Entergy claims that it fears that allowing QFs to serve their host loads first may lead to undue or unjust discrimination against other generation. Entergy Reply Brief at 22. This fear is groundless. Through the host loads first allocation method, Entergy would merely be extending to QFs and their host loads the same treatment that the other generators on its system already receive.

<sup>48</sup>Other transmission providers appear not to single out QFs for different treatment from other generation when providing generator imbalance service. See, e.g., Tampa Electric Company, 90 FERC ¶ 61,330 at 62,106-09 (2000); Florida Power Corporation, 89 FERC ¶ 61,263, 61,763-65 (1999), Consumers Energy, 87 FERC ¶ 61,170 at 61,677-79 (1999). In this regard, the Southern Company measures generator imbalances at the point of interconnection. See Southern Company Services, Inc., FERC Electric Tariff, First Rev. Vol. No. 9 (Original Sheet No. 4), accepted for filing, Southern Co. Services, Inc. (Docket Nos. ER99-3531-000, et al. Letter Order issued November 22, 2000).

This seems highly unlikely. Entergy has the right under the GIA to curtail QF schedules and to cease supplying GIA service within 15 minutes. Also, under the GIA, the rate for Deficient Energy has a floor at the market price and is, in fact, often priced substantially higher; further, there is a 110 percent adder to the price for Deficient Energy.<sup>49</sup> It seems highly unlikely, then, that QFs would deliberately not meet a schedule in order to service their host loads, since, by doing so, they would incur these above-market-price Deficient Energy charges.

32. Entergy argues that, because it has billed host loads under retail tariffs, QFs can only properly raise their objections to Entergy's schedules first policy with the relevant state commissions and not with this Commission.<sup>50</sup> We disagree. The issue here is what should happen in the event that a QF cannot meet both its schedule and its host load's requirements. We find above that in this scenario the QF is entitled to take Deficient Energy to make up the shortfall in its schedule. The host load would, correspondingly, be served by the QF and not by Entergy. Therefore, there would be no retail sale by Entergy. What Entergy, in contrast, seeks is to improperly deprive QFs of their right to take energy imbalance service (*i.e.*, pay for Deficient Energy) under the GIA, which is a Commission-jurisdictional service.

33. Entergy also argues that a host loads first policy would require Entergy to monitor and compute an infeasible number of real-time calculations and would require Entergy to install expensive real-time telemetry equipment on every network generator and network load, including every QF generator and QF host load.<sup>51</sup> But Entergy's own evidence directly contradicts this assertion. Entergy has stated that the host loads first policy is feasible for QFs with host loads.<sup>52</sup>

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<sup>49</sup>International Paper Initial Brief at 23-24; QF Intervenors Joint Reply Brief at 15-17.

<sup>50</sup>Entergy Initial Brief at 11, 39; Entergy Reply Brief at 5, 41-42.

<sup>51</sup>Entergy Initial Brief at 20-22, 40; Entergy Reply Brief at 16-18.

<sup>52</sup>See International Paper Initial Brief at 10 & n. 16, 25 & n.46 (citing Ex. JM-21 ("The [host load first allocation] method is not operationally infeasible in real-time for generators with loads behind-the-meter [*i.e.*, QFs with host loads].")); see also Ex. JM-17 (demonstrating the ease of using the host load first allocation method); QF Intervenors' Joint Reply Brief at 6 & n.13, 21 & n. 59 (citing Ex. JM-1 at 20).

34. Entergy next argues that if it does not follow a schedules first policy it will not know when it is providing generator imbalance service and will not be able to timely curtail the service when there is insufficient generation to provide it.<sup>53</sup> But the evidence demonstrates that under a host loads first policy Entergy can accurately monitor the need for generator imbalance service and will be able to timely curtail that service if necessary. To properly calculate charges under a host loads first policy, Entergy would only need to monitor the point of interconnection with Entergy's transmission system.<sup>54</sup> To calculate the correct charges, Entergy would compare the meter with the schedule to see if power flowing out matches the schedule. In this regard, monitoring a QF's output and schedules should be no different than monitoring an IPP's output and schedules. What Entergy is doing for the latter should work equally well for the former.<sup>55</sup>

35. All of the technical difficulties that Entergy attributes to allowing QFs to allocate their output to host loads first and to schedules second (the host loads first policy) actually have nothing to do with the generators' status as QFs.<sup>56</sup> The difficulties that Entergy points to arise not from the actions of QFs and their host loads, but from generators that are network resources serving multiple, separately-located network loads, where the electric energy to serve these loads must flow over Entergy's transmission system; these difficulties have nothing to do with QF status.<sup>57</sup>

36. In conclusion, we find that Entergy's schedules first policy is unreasonable and unduly discriminatory. Entergy is directed to implement the host loads first allocation method, and to make refunds accordingly.

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<sup>53</sup>Entergy Initial Brief at 10-11, 17, 19; Entergy Reply Brief at 14.

<sup>54</sup>We have expressed a preference for the measurement of generator imbalances at the point of interconnection. See Standard Generator Interconnection and Operating Agreement, FERC Stats. & Regs. ¶ 32,560 at 34,203 (§ 4.31), 34,213 (§ 7.1) (2002).

<sup>55</sup>See International Paper Initial Brief at 11; QF Intervenors Joint Reply Brief at 21 & n. 59; Joint Movers and Occidental Chemical Corporation Initial Brief at 29-30.

<sup>56</sup>In this regard, it bears remembering that QF status is a legal status, created by statute and regulation, see supra note 2, and has nothing to do with the physical operation of the generating facility. Indeed, two generators can be identical physically and one may be a QF and one may not.

<sup>57</sup>See Initial Brief of Joint Movers and Occidental Chemical Corporation at 31-33.

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The Commission Orders:

(A) Entergy is hereby directed to cease following its schedules first policy, and to adopt the host loads first policy, for allocation of the output of QF generators on its system, as discussed in the body of this order.

(B) Entergy is hereby directed to make refunds, with interest, within 60 days of the date of this order, of the charges that it has collected under its schedules first policy and to file a report for Commission approval within 30 days thereafter, consistent with the terms of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.