

LOUISIANA PUBLIC SERVICE COMMISSION

MEDIA RELEASE

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For Immediate Release

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FERC rules in favor of the LPSC

BATON ROUGE – The Federal Energy Regulatory Commission, or “FERC”, issued a decision today in a matter that was initiated in 2001 by the Louisiana Public Service Commission and the City of New Orleans that argued that the agreement governing how the costs of producing electricity are allocated among the Entergy Utilities operating in Louisiana, Arkansas, Mississippi, and Texas were resulting in unreasonable rates for Entergy customers in Louisiana.

In 2005, the FERC issued a decision finding that the System Agreement was no longer just and reasonable, and it adopted a remedy that has caused millions in refunds since 2005 to be returned to Entergy's Louisiana customers. In that 2005 decision, however, FERC delayed implementation of the remedy from June 1, 2005 resulting in it not becoming effective until June 1, 2007. That delay was rejected by the D.C. Circuit Court of Appeals in 2008.

The Order issued today implements the bandwidth remedy effective June 1, 2005, requires Entergy to calculate bandwidth payments for the June 1, 2005 through December 31, 2005 time period, and requires Entergy to refund those amounts within 90 days.

The Commission staff estimates that the additional refunds ordered today could result in \$100-\$200 million being returned to Entergy ratepayers in Louisiana.

“This is further evidence of the Commission’s persistent and effective use of litigation for the benefit of the Louisiana ratepayers” said Commission Chairman Jimmy Field of Baton Rouge. Field also added “that the sum total of benefits will be over \$1 billion dollars if it hasn’t already.”

Commissioner Lambert Boissiere of New Orleans added that “The FERC’s ruling today demonstrates what the Commission has advocated all along for its ratepayers. This is a big victory for Louisiana due to, among other things, Louisiana ratepayers experiencing high natural gas and electricity bills during and after Katrina. We will continue to fight for our ratepayers.”

“Today the FERC recognized their failure to provide credits due to Louisiana ratepayers. It is a victory for our State at a time when the federal juggernaut is aggressively working to diminish Louisiana authority in transmission matters” said Commissioner Eric Skrmetta of Metairie. “The recovery, estimated between \$100-\$200 million, could not come at a better time for ratepayers suffering under this economic recession.”

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