

ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

FILED
OFFICE OF THE SECRETARY
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FEDERAL ENERGY
REGULATORY COMMISSION

Entergy Services, Inc.)

Docket No. EL99-57

**MOTION FOR LEAVE TO INTERVENE ONE DAY OUT OF TIME
AND COMMENTS OF CLECO CORPORATION**

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (Commission), Cleco Corporation (Cleco) submits this Motion to Intervene in the captioned proceeding.

I. MOTION TO INTERVENE OUT OF TIME

1. Cleco's exact name is Cleco Corporation. Cleco's principal place of business is located at 2030 Donahue Ferry Rd., Pineville, Louisiana 71361-5000. Cleco designates the following two persons to be included on the official service list in this proceeding:

Mr. Rodney L. Nefsky
Director FERC Contracts & Regulations
Cleco Corporation
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and

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2. Cleco is a corporation organized and existing under the laws of the State of Louisiana and is engaged primarily in the generation, transmission, and distribution of electricity within Louisiana. Cleco is subject to the jurisdiction of this Commission and of the Louisiana Public Service Commission.

3. On April 5, 1999, Entergy Services, Inc. and the Entergy Operating Companies (Entergy) tendered a petition for declaratory order in the captioned docket. Entergy seeks guidance from the Commission regarding its proposal to create a "transco," an independent transmission company that will control and operate Entergy's transmission system. Additionally, "Entergy asks the Commission to issue a declaratory order that this Transco proposal is consistent with all relevant ISO principles, especially those involving independence, governance, and conflicts of interest."

4. Cleco engages in wholesale sales and transmission transactions that are subject to this Commission's jurisdiction and such transactions may be affected by the filing made in this proceeding. Cleco is interconnected with Entergy Operating Companies and is a firm transmission customer of and exchanges power and energy with Entergy Operating Companies. Cleco owns

transmission assets that would become a part of, and that would be affected by, any transco that would be created in Louisiana. Because of Cleco's reliance on Entergy's transmission system, Entergy's operations affect Cleco's operations and market opportunities. As a utility interconnected with Entergy and a current and potential transmission service customer and a potential member of Entergy's proposed transco, Cleco's interest may be directly affected by Commission action in this proceeding, which interest cannot adequately be represented by any other party. Cleco's intervention and participation are in the public interest.

5. Pursuant to Rule 214(d), 18 C.F.R. § 385.214(d), Cleco, for good cause shown, respectfully requests leave to intervene one day out of time. Cleco prepared its motion and dispatched it to the Commission's offices so that it would be timely filed on May 5, 1999, but an error by its filing service delayed delivery. No disruption to these proceedings or prejudice or additional burdens on other parties or the Commission will result. This motion otherwise conforms with Rule 214(b). No proceedings have yet been held in this docket. Cleco's interest in Entergy's proposal cannot adequately be represented by any other party.

II. COMMENTS

6. Cleco does not oppose Entergy's request for declaratory order at this time. Cleco also believes that Commission guidance and clarification regarding certain portions of Entergy's proposal would be useful. However, Entergy's proposal as now presented is insufficient to resolve certain definitive business and legal issues without a more definitive explanation from Entergy. For example, Cleco is concerned about business and legal solutions to the following issues:

- A central question that Entergy requests Commission guidance on is whether the proposal satisfies the independence criteria for ISOs. Entergy's request states that the Member Companies will transfer transmission asset ownership to the transco LLC and that the Member Companies will have a passive ownership interest in the LLC. (e.g. p. 5, 10, and 23). The Entergy proposal states that the governing Board will have a nominal fiduciary role to the holders of the passive interest. What does the term "nominal" mean and how does this relate to the "passive" interest that members will have? How do owners of assets ensure that they comply with their own fiduciary duties to their stockholders?

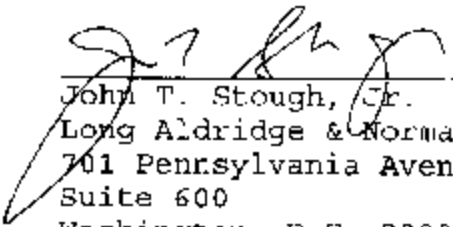
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- The market monitoring plan, as described, apparently has substantial power, including the ability to compel market participants to supply information which is not limited in scope. (e.g. p. 12-13, and Appendix 3, IV.B.2) What authority would the market monitoring unit have to compel production of information and what rights do recipients of requests for information have to protect their legitimate interests?
 - A reference is made to a "no cost-shifting" policy and a request for the Commission to accept this policy as a general RTO standard. However, no substantial discussion of the proposed policy is undertaken. (p. 28) What is the purpose and effect of such a policy and how would it be implemented?
 - Regarding the filing's discussion of ISO Principle #4 on short-term reliability (p. 28-30), the Commission should consider whether the security coordination and ATC calculations needs to be performed by someone other than the transmission asset owning entity.
 - The regional planning summit process does not specify how it will treat other transcos and ISOs. (e.g. p. 35) Will there be charges associated with proposals from other RTOs?

- Entergy asks for approval of its proposal by the end of July 1999. (p. 36) Cleco does not see a compelling need for the Commission to act hastily on this important matter, particularly in light of substantial business, legal, and technical issues that are yet to be addressed. Absent a more articulated reason for such a deadline, Cleco urges the Commission to act diligently, yet deliberately to identify and substantially resolve the issues that are presented by this filing - without an artificial time limit.

WHEREFORE, Cleco respectfully requests that it be granted leave to intervene in the above-captioned proceeding and that it be made a party thereto, with full rights to have notice of and participate in any hearings, to present evidence, cross-examine witnesses, file briefs, and participate in oral argument, if any, and for all other proper and needful relief. Cleco also requests that the Commission give guidance regarding the concerns raised

above and require additional information from Entergy as necessary fully to evaluate its proposal.

Respectfully submitted,



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Attorney for Cleco Corporation

Dated: May 6, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of May, 1999 served a copy of the foregoing upon all parties listed on the service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.



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