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Addendum StartPage: 0

DOCKET NO. 29035

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PETITION OF ENTERGY GULF §
STATES, INC. TO MODIFY §
SCHEDULE LQF, TO MAKE §
CORRESPONDING REVISIONS TO §
BILLINGS UNDER SCHEDULE SMS, §
AND FOR AUTHORIZATION TO §
IMPLEMENT MODIFICATION ON §
AN INTERIM BASIS §

PUBLIC UTILITY COMMISSION
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PUBLIC UTILITY
COMMISSION
OF TEXAS

**LIST OF ISSUES OF OCCIDENTAL CHEMICAL CORPORATION
AND OCCIDENTAL POWER SERVICES, INC.**

In accordance with the Order of Referral issued in the above-captioned proceeding on January 6, 2004, Occidental Chemical Corporation ("OxyChem") and Occidental Power Services, Inc. ("OPSI") (collectively referred to as "Oxy") hereby submit their list of issues to be addressed in this docket.¹

Background

In its application, Entergy Gulf States, Inc. ("EGSI") proposes certain modifications to the methodology it utilizes to calculate avoided cost for purposes of making payments to Qualifying Facilities ("QFs") that offer nonfirm energy to EGSI under its Schedule LQF (Nonfirm Energy Purchased from Large Qualifying Facilities), along with corresponding revisions to billings under Schedule SMS (Standby and Maintenance Service). According to EGSI, these modifications would allow EGSI to utilize the four following factors not currently utilized by EGSI in the calculation of avoided cost under Schedule LQF: (1) the cost of economy purchases rejected due to the requirement to take QF energy; (2) emergency sales; (3) an O&M adder; and (4) an SO₂

¹ OxyChem's and OPSI's motion to intervene in this proceeding was opposed by EGSI and is pending before the Commission.

adder. EGSI claims that the first two factors are proposed as a result of “recent developments in the amount of QF energy required to be taken by the Company, as well as the availability of economical off-system purchased power,” and that the second two factors are proposed to assure that the calculation of EGSI’s avoided cost is consistent with the calculation of avoided cost by other Entergy operating companies.²

Oxy’s Proposed List of Issues

Oxy proposes that the following issues should be addressed in this proceeding:

1. Are EGSI’s proposed modifications to Schedule LQF consistent with the Commission’s Subst. Rule § 25.242(i) relating to tariffs setting forth methodologies for purchases of nonfirm power from QFs?
2. Should EGSI be permitted to reflect economy purchases that were rejected by EGSI due to QF energy “put” to EGSI in its calculation of avoided cost under Schedule LQF?
3. If EGSI is permitted to reflect rejected economy purchases in its calculation of avoided cost, does the procedure set forth in Attachment A to proposed Schedule LQF contain provisions to assure that such purchases were rejected due to QF energy rather than lack of adequate transmission capability, invalid offers, or other reasons?
4. In determining whether adequate transmission capability is available for rejected economy purchases, should EGSI be required to consider internal congestion in addition to available transmission capacity for resources external to the Entergy system?
5. If EGSI’s proposed procedure in Attachment A does not contain adequate provisions to assure that economy purchases were rejected due to QF energy rather than for other reasons, what modifications should be made to the procedure to accomplish that purpose?
6. Should EGSI be permitted to reflect emergency sales made during low load conditions in its calculation of avoided cost under Schedule LQF?
7. If EGSI is permitted to reflect emergency sales in its calculation of avoided cost, does the procedure for determining whether such sales should be

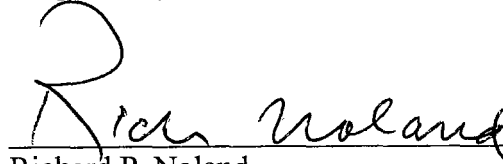
² Petition of EGSI to Modify Schedule LQF, to Make Corresponding Revisions to Billings Under Schedule SMS, and for Authorization to Implement Modification on an Interim Basis, Docket No. 29035, filed December 9, 2003, at 4.

reflected in EGSI's avoided cost set forth in Attachment A to proposed Schedule LQF assure that the sales were in fact made due to QF energy "put" to EGSI rather than for other reasons, such as excess energy production by non-QF generation on the Entergy system?

8. Are EGSI's proposed O&M and SO₂ Adders consistent with Subst. R. § 25.242(i)(3) and do they accurately reflect such costs incurred by EGSI?
9. Should QFs be accorded the right to audit EGSI's avoided cost calculations?
10. Is it appropriate for the detailed methodology for calculating EGSI's avoided cost to be set forth in an attachment to Schedule LQF rather than in the tariff itself in order to permit EGSI to make minor changes to its calculation without filing a formal tariff revision application?

Oxy respectfully requests that the foregoing issues be included in any preliminary order issued by the Commission in this case. Oxy reserves the right to raise issues other than the specific issues set forth above as they may arise during the course of the proceeding.

Respectfully submitted,



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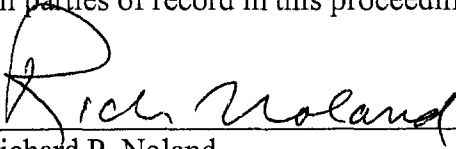
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January 13, 2004

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was mailed by U.S. Mail, postage prepaid, or delivered via facsimile, Federal Express, or hand delivery on the 13th day of January, 2004, to all parties of record in this proceeding.



Richard P. Noland