



**Entergy Services, Inc.**  
Mail Unit L-ENT-24A  
639 Loyola Avenue  
New Orleans, LA 70113  
Tel 504-576-4993  
Fax 504-576-5123  
e-Mail gpierc2@entergy.com

**Greg Pierce**  
Director Transmission Compliance

October 31, 2008

**VIA ELECTRONIC FILING**

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Entergy Services, Inc.; Docket No. ER05-1065-000  
Report of AFC-Related Errors

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") April 24, 2006 Order in *Entergy Services, Inc.*, 115 FERC ¶ 61,095 (2006) ("April 24 Order"), Entergy Services, Inc., acting as agent for the Entergy Operating Companies,<sup>1</sup> hereby notifies the Commission it has recently become aware of the following AFC-related errors.

In the April 24 Order, the Commission conditionally accepted Entergy's proposal to establish an Independent Coordinator of Transmission ("ICT") for the Entergy System. As the Commission is aware, the Southwest Power Pool, Inc. acts as Entergy's ICT. In the April 24 Order, the Commission imposed an obligation for Entergy to "notify the Commission, the ICT and the Users Group within 15 days if Entergy discovers that it has lost data, or reported inaccurate data, or otherwise believes that it has mismanaged data." See April 24 Order at P 110. Accordingly, Entergy submits the following explanation of recently discovered issues involving inaccurate data from an incorrect Net Schedule File and an error in the Study Horizon Participation Factor calculation process.

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<sup>1</sup> The Entergy Operating Companies include: Entergy Arkansas, Inc., Entergy Gulf States Louisiana, LLC, Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc. The Entergy Operating Companies and Entergy Services, Inc. are referred to collectively herein as "Entergy."

### **Net Schedule File Error**

On October 20, 2008, Entergy was notified by the ICT that a transmission customer was unable to reserve non-firm service from a source called MAGNETCOVE. Upon investigation Entergy determined that MAGNETCOVE source had zero AFC because the net schedule file that is used as an input to the AFC process was reporting a total of 1280 MW firm schedule from MAGNETCOVE for the hours of 09:00 to 20:00 on October 20, 2008. As the maximum generating capacity for MAGNETCOVE is 800 megawatts, an issue was clearly indicated.

When investigating this issue as reported by the ICT, Entergy determined that when the "CANCELLED" composite state was added to E-Tag with the implementation of the E-TAG1.8 specification on December 4, 2007, a schedule with a composite state of "CANCELLED" was included in the net schedule file that should have been excluded. A patch was developed to exclude "CANCELLED" schedules from the calculation for the net schedule file and was put into production on October 20, 2008. At this time, Entergy staff believes that the inaccurate data may have impacted non-firm AFC calculations, but the specific impact is indeterminable.

### **Study Horizon Participation Factor Calculation Error**

The process for calculating participation factors in the AFC Study Horizon for all oil/gas Entergy-owned units located within the Amite South and WOTAB regions in the Entergy system is an automated process executed during each Study Horizon update. On October 16, 2008, Entergy discovered that the aforementioned automated process was using an inaccurate data input due to a particular variable not being properly reset for each month of the Study Horizon. The use of this inaccurate data input potentially caused the participation factors for certain months of the Study Horizon to vary slightly from the expected results. As this variation may not always appear for every month of the Study Horizon, the specific impact of the issue is indeterminable.

Entergy is currently engaged in a thorough review of all elements of the Study Horizon model development and AFC calculation process. Accordingly, corrective action was initiated immediately and the modifications to the automated routine were completed on October 28, 2008. The updated automation was implemented during the next AFC Study Horizon update on October 29, 2008 at 14:14.

In the event that further information is needed, please do not hesitate to contact the undersigned.

Respectfully submitted,  
/s/Gregory D. Pierce  
Gregory D. Pierce  
Director, Transmission Compliance

Kimberly D. Bose, Secretary

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cc: Southwest Power Pool, Inc.  
ICT Users Group  
Service List; Docket No. ER05-1065-000

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this 31th day of October, 2008, served the foregoing document upon the Southwest Power Pool, Inc., the ICT Users Group, and each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Nicole A. Livaccari

Nicole A. Livaccari  
Mail Unit L-ENT-24A  
New Orleans, LA 70113  
Tel: (504) 576-4296