



**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

**Gregory D. Pierce**  
Director Transmission Compliance

January 19, 2009

**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 error.

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 the inaccurate calculation of Firm AFCs in the Study Horizon.

---

<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."

Kimberly D. Bose, Secretary  
January 19, 2009  
Page 2

### **Inaccurate Calculation of AFCs in the Study Horizon**

On January 5, 2009, during random testing, it was discovered that the OASIS Automation (OA) software was not correctly calculating Firm AFCs in the Study Horizon. An off-line power flow model should include both Firm and Non-Firm Transmission reservations. The OA software adjusts the base flows to remove the effects of Non-Firm reservations from the most limiting facilities that were evaluated in the power flow model. When a Non-Firm Monthly Transmission reservation existed, the base flow values sent to OA did not include Non-Firm reservations. Following a resync, the calculation for Firm AFCs assumed the Non-Firm transmission reservations were included and incorrectly adjusted for the reservations. The Firm AFCs calculated were not correct and could have resulted in the potential oversell of transmission service.

After further investigation, it was determined the error had existed since April, 2004. Approximately 40 Monthly Non-Firm Transmission reservations existed since that time that could have impacted the calculation. Only the months in which Non-Firm Monthly reservations existed, the software would incorrectly inflate AFCs on the top fifteen flowgates associated with the Non-Firm reservations. The Study Horizon baseflow calculation process was corrected prior to the resync on January 9, 2009 to account for the Non-Firm Transmission reservations in the off-line power flow model.

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

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 19<sup>th</sup> day of January, 2009, 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) 576-5123