

Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004  
Tel. 202.739.3000  
Fax: 202.739.3001  
www.morganlewis.com

**Morgan Lewis**  
C O U N S E L O R S   A T   L A W

**Floyd L. Norton, IV**  
Partner  
202.739.5620  
fnorton@morganlewis.com

May 16, 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 Error

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 an error in the AFC process affecting the calculation of response factors.

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 the calculation of response factors.

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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."

### **Response Factor Issue**

On April 21, 2008, the ICT contacted Entergy, reporting that the response factors calculated for the flowgate, White Bluff-Sheridan [accounting for the loss of Sheridan-Mabelvale (WBSHE\_MABEL)], for transfers sourcing from Big Cajun Two and sinking at Duke North Little Rock were suspect. The ICT indicated that the WBSHE\_MABEL flowgate was incorrectly constraining a transfer and that the flowgate for White Bluff-Sheridan should not be seen in RFCALC's top 15 most constraining flowgate list. Following notification, Entergy worked with AREVA to analyze this issue.

On May 1, 2008, the modeling error was confirmed and corrected for the Operating and Planning Horizon resynchronizations. The issue identified was the improper configuration of a contingent element common to more than one flowgate. RFCALC has an assumption in its logic that requires individual contingent elements in flowgates to always be monitored in the same power flow direction. However, certain contingent elements in the model must be modeled in multiple directions because of flowgate configuration. As a modeling practice, unique contingency IDs were entered into the model to account for variations in common contingent elements. In this instance, the WBSHE\_MABEL flowgate had a contingent element in common with another flowgate, the direction of which differed between the flowgates. This configuration resulted in the calculation of incorrect generator shift factors by RFCALC for the contingent element, which caused the calculation of an incorrect response factor.

In response to this issue, Entergy analyzed the flowgate model utilized by RFCALC, resulting in the identification and correction of seventeen additional flowgates. At this time, Entergy has not determined if this error caused the improper denial of transmission service.

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

Respectfully submitted,  
/s/ Floyd L. Norton, IV  
Floyd L. Norton  
Attorney for  
Entergy Services, Inc.

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 16th day of May, 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/ Kevin C. Frank  
Kevin C. Frank  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Ave., N.W.  
Washington, D.C. 20004  
Tel: (202) 739-5709