

**ATTACHMENT 2 TO ESI's JULY 13, 2007
ORDER NO. 890 COMPLIANCE FILING**

**BLACK-LINED PAGES OF THIRD REVISED VOLUME NO. 3
OF ESI's OATT**

ENTERGY SERVICES, INC.

AS AGENT FOR

**ENTERGY ARKANSAS, INC.
ENTERGY GULF STATES, INC.
ENTERGY LOUISIANA, LLC
ENTERGY MISSISSIPPI, INC.
ENTERGY NEW ORLEANS, INC.**

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1. Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.4 Commission:

The Federal Energy Regulatory Commission.

1.5 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.6 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.7 Curtailment:

A reduction in firm or non-firm transmission service in response to a [~~transmission capacity~~]transfer capability shortage as a result of system reliability conditions.

1.8 Customer Bulk Transmission Load Ratio Share:

The ratio of the Transmission Customer's Network Load to the Entergy Transmission net area peak loads, as computed in accordance with Paragraph 3.c of Attachment H.

1.9 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.16 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.17 Independent Coordinator of Transmission or ICT:

A party that meets the independence criteria of Section 2 of Attachment S and contracts with the Transmission Provider to implement the provisions of Attachment S. Obligations imposed by provisions of this Tariff on the Transmission Provider may be fulfilled in whole or in part by the ICT in accordance with Attachments S-V, even though not explicitly stated in those Tariff provisions.

1.18 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.19 Load Ratio Share:

The Customer Bulk Transmission Load Ratio Share as defined in Section 1.8.

otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.29 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.30 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.31 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.32 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.33 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.39 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.40 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.41 Pre-Confirmed Application:

An Application that commits the Transmission Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.42 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.43 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.44 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission

System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.45 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.46 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.47 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.48 System Condition

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

2. Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available [~~Transmission Capacity~~]Transfer Capability:

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of [~~one year~~]five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to the longer of a competing

request by any new Eligible Customer or five years and to pay the current just and reasonable rate, as approved by the Commission, for such service. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of [~~one year or longer.~~] five years or longer. Service agreements subject to a right of first refusal entered into prior to [the acceptance by the Commission of the Transmission Provider's Attachment K], unless terminated, will become subject to the five year/one year requirement on the first rollover date after [the acceptance by the Commission of the Transmission Provider's Attachment K].

3. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i)

Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, ~~[and]~~(iv) Operating Reserve - Supplemental, and (v) Generator Imbalance. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure

the Ancillary Services (discussed in Schedules 3, 4, [~~5~~5, and [~~6~~6, and Attachment P) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through [~~3-6~~3.7 below list the [~~six~~seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Attachment P.

3.8 Allocation of Revenue:

The revenue the Transmission Provider receives for providing Ancillary Services pursuant to the provisions of this Section 3, [~~and~~] Schedules 1-6 **and Attachment P** will be allocated among the Entergy Operating Companies based on their Responsibility [~~Ratios~~] **Ratios**, as defined in the Entergy System Agreement and as set out in the Entergy System Bill for the most recently available month. **The revenue the Transmission Provider receives pursuant to the provisions of Schedules 9 and 10 will be allocated among the Entergy Operating Companies based on their Responsibility Ratios, as defined in the Entergy System Agreement and as set out in the Entergy System Bill for the most recently available month.**

4. Open Access Same-Time Information System (OASIS)

4.1 Terms and Conditions:

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available [~~transmission capacity~~]transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on its public website all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS an electronic link to these rules, standards and practices, and shall post on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also make available on its public website a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are posted on its website. Such process shall set forth the means by which the

Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

4.2 NAESB WEQ Business Practice Standards:

- (i) Business Practices for Open Access Same-Time Information Systems (OASIS) (WEQ-001, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Standards 001-0.2 through 001-0.8, 001-2.0 through 001-9.6.2, 001-9.8 through 001-10.8.6, and Examples 001-8.3.A, 001-9.2.A, 001-10.2.A, 001-9.3.A, 001-10.3A, 001-9.4.1-A, 001-10.4.1-A, 001-9.4.2-A, 001-10.4.2-A, 001-9.5-A, 001-10.5-A, 001-9.5.1-A, and 001-10.5.1-A;
- (ii) Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communications Protocols (WEQ-002, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Standards 002-1 through 002-5.10;
- (iii) Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ-003, Version 000, January 15, 2005, with minor corrections applied on March 25,

- 2005, and additional numbering added on October 3, 2005) including Standard 003-0;
- (iv) Coordinate Interchange (WEQ-004, Version 000, January 15, 2005, with minor correction applied on March 25, 2005, and additional numbering added on October 3, 2005) including Purpose, Applicability, and Standards 004-0 through 004-13, and 004-A through 004-D;
- (v) Area Control Error (ACE) Equation Special Cases Standards (WEQ-005, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005 and additional numbering added on October 3, 2005) including Purpose Applicability and Standards 005-0 through 005-3.1.3 and 005-A;
- (vi) Manual Time Error Correction (WEQ-006, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Purpose, Applicability and Standards 006-0 through 006-12; and
- (vii) Inadvertent Interchange Payback (WEQ-007, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Purpose, Applicability and Standards 007-0 through 007-2 and 007-A.

4.3 Posting of Redispatch Costs:

The Transmission Provider shall post on OASIS its monthly average cost of redispatch for each internal congested transmission facility or interface over which (a) it provides for redispatch service using planning redispatch under the Tariff or (b) it provides and invoices customers for reliability redispatch under the Tariff.

The Transmission Provider also shall post a high and low redispatch cost for the month for each such transmission constraint. The Transmission Provider shall post such information regardless of whether a Transmission Customer is required to pay the exact costs of redispatch. In the case of planning redispatch, the costs posted shall be calculated based on the applicable Redispatch Rates under Attachment V of the Tariff.

5. Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code (“local furnishing bonds”). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing

shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

6. Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool~~[-of]~~, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary,

11. Creditworthiness

11.1 Credit Review: For the purpose of determining the ability of a Transmission Customer to fulfill its financial obligations pursuant to the Tariff, the Transmission Provider shall require commercially reasonable credit review procedures described in both this Section 11 and Attachment L to the Tariff. A creditworthiness review shall be conducted for each Transmission Customer upon its initial request for Transmission Service, and thereafter generally annually, or upon the anniversary of the Transmission Customer's Service Commencement Date, or upon reasonable request by the Transmission Customer. Provided, however, any time that a Transmission Customer experiences any credit downgrade that may place it below the standards specified in Section 11.2, the Transmission Provider reserves the right to re-evaluate the Transmission Customer's creditworthiness pursuant to this Section 11. Further, if in accordance with Section 11.3.3, the Transmission Provider determines that financial assurances that a Transmission Customer has previously provided pursuant to this Section 11 have become insufficient to protect the Transmission Provider against the risk of non-payment, Transmission Provider can require the Transmission Customer to increase such financial assurances.

11.2 Creditworthiness: Both new and existing Transmission Customers that, upon their application for Transmission Service and throughout the term of their Service Agreements, satisfy the criteria delineated in this Section 11.2 will be

as stated in Section 11.2(i). However, to the extent that the guarantor is placed on watch for possible downgrade and has: (i) a S&P Long-Term Issuer Credit Rating of BBB (or below); or (ii) a Moody's Long-Term Issuer Credit Rating of Baa2 (or below), then the Transmission Customer will be required to provide additional financial assurances as provided in this Section 11. A draft, acceptable form of a continuing guaranty shall be posted on OASIS; or

- (vi) the Transmission Customer has been in business for at least one (1) year and provides its most recent audited financial statements to the Transmission Provider which demonstrate that the Transmission Customer's creditworthiness is least equivalent to the standards underlying a S&P Long-Term Issuer Credit Rating of BBB- (or better) or a Moody's Long-Term Issuer Credit Rating Baa3 (or better) based on the standards described in Attachment L; provided that if the Transmission Customer is not found to be creditworthy pursuant to this Section 11.2(vi), then pursuant to Section 11.3.5, the Transmission Provider will inform the Transmission Customer of the reasons for that determination.

11.3 Creditworthiness Procedures: The Transmission Provider shall require financial assurances in accordance with the procedures set forth below:

advance payment for each month shall be based on a reasonable estimate by the Transmission Provider of the charge for that month. The Transmission Provider shall pay interest on any prepayments made pursuant to this Section 11.3.1(ii) at the rates established in 18 C.F.R. § 35.19a(2)(iii).

A detailed description of Transmission Provider's prepayment procedures are included in Attachment L.

Where applicable, all uncreditworthy customers applying for new service that fail to meet Section 11.2's creditworthiness criteria shall also pay the application deposits required by either Sections 17.3 or 29.2 of the Tariff.

11.3.2 Existing Transmission Customers: Any Transmission Customer that originally meets the creditworthiness requirements of Section 11.2 and subsequently fails to meet those requirements after it requests Transmission Service but before termination of that service shall:

- (i) Within five (5) business days of receipt of a notice from the Transmission Provider, provide the Transmission Provider an acceptable form of financial assurance permitted by this Section 11 that is equal to the Transmission Customer's average monthly Transmission Services charge for the applicable Transmission Service; and

11.3.3.1 Adjustment of Financial Assurances Provided Pursuant to Section 11.3.1.

If a Transmission Customer provided security when initially applying for service pursuant to Section 11.3.1 and the Transmission Provider determines that the Transmission Customer's *actual* average monthly Transmission Services charges over any subsequent twelve (12) month period exceed the original average estimated charges for transmission and ancillary services upon which a financial assurance initially was based, then the Transmission Customer must increase its financial assurance to be equal to three (3) times its current actual average monthly purchases of Transmission Service. The value of the actual average monthly purchases of Transmission Services evaluated pursuant to this Section 11.3.3.1 will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Transmission Provider's credit re-evaluation. Pursuant to Section 11.3.1, the sum of any required security will include, where applicable, any application deposits required pursuant to Sections 17.3 or 29.2.

11.3.3.2 Adjustment of Financial Assurances Provided Pursuant to Section 11.3.2.

If a Transmission Customer provided security pursuant to Section 11.3.2 and the Transmission Provider determines that the customer's

actual average monthly purchases of Transmission Services over a subsequent twelve (12) month period exceed the original monthly average for charges for transmission and ancillary services upon which the [~~amount of~~ amount of] a financial assurance initially was based, then the Transmission Customer must increase the amount of its financial assurance to be equal to three (3) times its actual average purchases of Transmission Service. The value of the actual average monthly purchases of Transmission Services evaluated pursuant to this Section 11.3.3.2 will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Transmission Provider's credit re-evaluation.

11.3.3.3 Transmission Customer Right To Request A Credit Re- evaluation.

Transmission Customers may make reasonable requests for the Transmission Provider to re-evaluate their creditworthiness pursuant to the relevant standard established in either Section 11.3.3.1 or 11.3.3.2. Based on such a re-evaluation, if appropriate, the Transmission Provider will reduce the amount of financial security requested from a Transmission Customer if an analysis of its transmission usage over the preceding twelve (12) month period indicates that the customer has

provided security in excess of that required by this Section

~~[11.11.3.4]~~11.

11.3.4 Right to Draw Upon Financial Assurances Upon Default: The

Transmission Provider has the right to liquidate, or draw upon, all or a portion of a Transmission Customer's form of financial assurance(s) in order to satisfy a Transmission Customer's total net obligations to the Transmission Provider upon a Default pursuant to Section 7.3 of the Tariff. A Transmission Customer shall replace any liquidated, or drawn-upon, financial assurances pursuant to the timeframe delineated in Section 11.3.2.

11.3.5 Notice: The Transmission Provider's notification to a Transmission Customer will inform the Transmission Customer: (i) that it is not creditworthy pursuant to this Section 11, or in accordance with Section 11.3.3, that it must adjust previously provided financial assurances; (ii) why it is not creditworthy or why it must adjust previously provided financial assurances; (iii) that it must provide any required financial assurances by the deadlines specified in the notice; and (iv) that the Transmission Provider may take corrective actions, including suspension of service pursuant to Section 11.4, if the Transmission Customer fails to provide the required financial assurances by the specified deadlines. All

- (ii) a Transmission Customer that is in Default pursuant to Section 7.3 of this Tariff fails to provide the entirety of the one month's requested financial assurance within five (5) business days after the Transmission Provider's notification to such Transmission Customer pursuant to Section 11.3. Transmission Provider will provide five (5) calendar days written notice to the Commission before suspending Transmission Service.

Any notices sent to the Transmission Customer and to the Commission pursuant to this Section 11.4 may be telefaxed/mailed concurrently. The suspension of service shall continue only for as long as the circumstances that entitle the Transmission Provider to suspend service continue. A Transmission Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service. [A detailed description of Transmission Provider's suspension procedures are included in Attachment L.](#)

11.5. Alternative Forms of Financial Assurance: Transmission Customer may provide the following as acceptable alternative forms of financial assurance in the amounts specified in Sections 11.3.1 or 11.3.2:

- (i) **Cash Deposit:** The Transmission Customer may provide a cash deposit that will be retained during the term of (and until full and final payment and performance of) any relevant Service Agreement. If a Transmission

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the [~~transmission~~]transfer of such capacity and energy to designated Point(s) of Delivery.

13. Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction.

However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests with the same duration and pre-confirmation status (Pre-Confirmed or not confirmed), priority will be given to an Eligible Customer's request that offers the highest price, followed by the date and time of the request.

(iii) If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available [~~transmission capacity~~]transfer capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service or equal duration service and lower

price has the right of first refusal to match any longer term [~~reservation~~]request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service.

When a longer duration request preempts multiple shorter duration requests, the shorter duration requests shall have simultaneous opportunities to exercise the right of first refusal. Duration, pre-confirmation status, price and time of response will be used to determine the order by which the multiple shorter duration requests will be able to exercise the right of first refusal. After the conditional

reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will

have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission

Service at a Point of Receipt or Point of Delivery that it has not reserved and that

has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4 and in accordance with

Attachment T. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27 and in accordance with Attachment T. To the extent the Transmission Provider can relieve any system constraint [~~more economically~~]by redispatching the Transmission Provider's resources, [~~than through constructing Network Upgrades~~]it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section [~~27.~~]27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Except in the case of redispatch costs allocated to the Transmission Customer in accordance with Attachment V, which will not be included in a Service Agreement, any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement

such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties, or as determined in accordance with Attachment V, for Short-Term Firm Transmission. Each Point of

Delivery at which firm [~~transmission capacity~~]transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties, or as determined in accordance with Attachment V, for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7, or as determined in accordance with Attachment V. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. [~~The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in~~]In the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has

not reserved[-], the Transmission Provider shall bill and the Transmission Customer shall pay for all use of Transmission Services in excess of firm reserved capacity at a rate equal to two times the rate specified in Schedule 7. The Transmission Provider will credit revenues that it receives in excess of one times the rate specified in Schedule 7. The Transmission Provider shall disburse accumulated penalty revenues under this section, plus interest calculated in accordance with 18 C.F.R § 35.19a, only when the annual accumulated amount of unreserved use penalty revenues to be credited reaches \$100,000. The annual period will commence on January 1 every year and end on December 31. Penalty revenues in one year will not be carried over into subsequent years. When the annual accumulated amount of unreserved use penalty revenues reaches \$100,000, Transmission Provider will credit the revenues by dividing them equally among all Long-Term Firm and Short-Term Firm Transmission Customers during the annual period that did not exceed their firm reserved capacity at any point during the annual period.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior

to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14. Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a

sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from [~~transmission capacity~~]transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. In the event that a Transmission Customer (including Third-Party sales by the Transmission Provider) exceeds its non-firm reserved capacity at any Point of Receipt or Point of Delivery, the Transmission Provider shall bill and the Transmission Customer shall pay for all use of Transmission Services in excess of non-firm reserved capacity at a rate equal to two times the rate specific in Schedule 8. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable.

Hour-to-hour schedules of energy that is to be delivered must be stated in increments of

1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service

of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, [~~or~~](4) transmission service for Network Customers from non-designated resources[~~],~~ or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. The Transmission Provider will use the NERC TLR procedures currently in effect and accepted by FERC where the TLR Procedures would effectively relieve the constraint. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery

will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15. Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available [~~Transmission Capacity~~]Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available [~~transmission~~]transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient [~~transmission~~]transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study or service may be available in accordance with Attachment V.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-

Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27 in accordance with Attachment T. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such

facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service

for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as stated in Schedules 7 and 8.

16. Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff

and Attachment T, whether or not the Transmission Customer takes service for the full term of its reservation;

- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and

- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17. Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures contained in Attachment C to the Tariff. Requests by Transmission Customers for weekly or daily firm service also may be made in accordance with Attachment V hereto, which Attachment also shall apply to evaluations and replies to such requests for service. Except for service requested in accordance with Attachment V, which must comply with the requirements of that Attachment, all Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's

time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. Further, if the owner of a generating facility submits a written request to the Transmission Provider requesting the identity of a customer requesting service from the generating facility, the Transmission Provider will provide such

information on a confidential basis. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

Unless waived because of the establishment of creditworthiness pursuant to Section 11, a Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. Transmission Provider also may require a deposit of the full charge for service requests made in accordance [~~with Attachment~~ with Attachment V. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, if a request for service made in accordance with Attachment V is not granted, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application or request for service that is not granted. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission

Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available [~~transmission~~]transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right

of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If the Eligible Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Eligible Customer's application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18. Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. Eligible Customers shall also provide any required financial assurances pursuant to Section 11.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;

- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. Further, if the owner of a generating facility submits a written request to the Transmission Provider requesting the identity of a customer requesting service from that generating facility, the Transmission Provider will provide such information on a confidential basis. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable [~~for such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider~~].

18.4 Determination of Available [~~Transmission Capacity~~]Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available [~~transmission capacity~~]transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for

monthly service. [~~Or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider.~~]

19. Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, other than a request submitted in Accordance with Attachment V, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. [~~In such cases, the~~]Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects not to have the Transmission Provider study redispach or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the

Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints~~[and redispatch options]~~, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by a Transmission Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by a Transmission Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within

such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer

shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of

security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate [~~transmission capacity~~]transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point

Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an “Expedited Service Agreement” pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible

Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies. Consistent with Attachments D, the Transmission Provider will post metrics concerning satisfaction of these deadlines on OASIS.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The

Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study

shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

20. Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission

- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23. Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall [~~not exceed the higher of (i) the original rate~~

~~paid by the Reseller, (ii)]~~ be at rates established by agreement with the Assignee. The Assignee must execute a service agreement with the Transmission Provider[~~'s maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at]~~ prior to the date on which the reassigned service commences that will govern the provision of reassigned service. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider[~~'s cost of expansion~~]. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. [~~A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee.~~]The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff,

provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the [~~Parties~~]Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, [~~Resellers may~~]all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24. Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

The revenue the Transmission Provider receives for providing Distribution Service pursuant to Paragraph 5 of Appendix A to Schedule 7 shall be assigned to the Entergy Operating Company whose corresponding facilities were utilized to delivery power to the Transmission Customer.

26. Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

27. Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved [~~more economically~~] by redispatching the Transmission Provider's resources [~~than by building new facilities or upgrading existing facilities~~] to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy. The Transmission Customer shall be responsible for redispatch costs associated with service granted under Attachment V in accordance with that Attachment.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28. Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available [~~transmission capacity~~]transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient [~~transmission capacity~~]transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver [~~Economy Energy~~]energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as stated in Attachment H.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission

Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load, the Transmission Provider shall bill and the Transmission Customer shall pay for all such Network Integration Transmission service of secondary service at a rate equal to two times the rate specified in Schedule 7. The Transmission Provider will credit revenues that it receives in excess of one times the rate specified in Schedule 7. The Transmission Provider shall disburse accumulated penalty revenues under this section, plus interest calculated in accordance with 18 C.F.R. § 35.19a, only when the annual accumulated amount of penalty revenues pursuant to this section to be credited reaches \$100,000. The annual period will commence on January 1 every year and end on December 31. Penalty revenues in one year will not be carried over into subsequent years. When the annual accumulated amount of penalty revenues pursuant to this section reaches \$100,000, Transmission Provider will credit the revenues by dividing them equally among all Network Customers during the annual period that did not use Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load at any point during the annual period.

29. Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, (iv) the Eligible Customer satisfies Section 11's creditworthiness requirements, and (v) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Provided, however, the Transmission Provider shall waive the requirement that a deposit accompany the Application for an Eligible Customer that has satisfied Section 11's creditworthiness requirements. Unless subject to the procedures in Section

2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should

include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

- (v) A description of Network Resources (current and 10-year projection)[~~which shall include, for~~]. For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
 - Any periods of restricted operations throughout the year

- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;
- Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area(s) from which the power will originate

- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider

- Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10 year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; [~~and~~]
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon

the availability of transmission service under Part III of the Tariff;
and (2) the Network Resources do not include any resources, or any
portion thereof, that are committed for sale to non-designated third
party load or otherwise cannot be called upon to meet the Network
Customer's Network Load on a non-interruptible basis; and
(ix) Any additional information required of the Transmission Customer
as specified in the Transmission Provider's planning process
established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this

information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

30. Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable or in accordance with Attachment V. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29 or by complying with the requirements of Attachments T and V. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has

committed to purchase generation pursuant to an executed contract, or has
committed to purchase generation where execution of a contract is contingent upon
the availability of transmission service under Part III of the Tariff; and (2) The
Network Resources do not include any resources, or any portion thereof, that are
committed for sale to non-designated third party load or otherwise cannot be called
upon to meet the Network Customer's Network Load on a non-interruptible basis.
The Network Customer's request will be deemed deficient if it does not include this
statement and the Transmission Provider will follow the procedures for a deficient
application as described in Section 29.2 of the Tariff. Requests under Section 29 to
designate new Network Resources for periods of less than one year shall be subject
to the expedited procedures contained in Attachment C to the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource [~~at any time but should provide~~] by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely

terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to

redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's

designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract, or in the case of service pursuant to Attachment V, the Network Customer must satisfy the contractual requirements of that Attachment, in order to designate a generating resource as a Network Resource.

Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads.

However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities [~~constructed~~]added by the Network Customer subsequent to [~~the Service Commencement Date under Part III of the Tariff,~~]May 14, 2007, the Network Customer shall receive credit [~~where such facilities are jointly planned and installed in coordination with the Transmission Provider.~~
~~Calculation of the~~]for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be

integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31. Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider:

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement and as set forth in Attachment T. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32. Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the

Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to

complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities

reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating

Agreement, or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to,

providing Distribution Service pursuant to Paragraph 4 of Appendix 1 to Attachment H shall be assigned to the Entergy Operating Company whose corresponding facilities were utilized to deliver power to the Transmission Customer.

35. Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint

dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the ~~[North American]~~ Electric Reliability ~~[Council (NERC) and the [applicable regional reliability council],~~ Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies ~~[NERC and]~~the ~~[]~~applicable ~~[regional]~~reliability ~~[council]~~requirements guidelines of the ERO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

Issued by: Randall Helmick
Vice President, Transmission

Effective: July 13, 2007

Issued on: July 13, 2007

SCHEDULE 4

ENERGY IMBALANCE SERVICE

Energy Imbalance Service is provided when a difference occurs between the load and the actual delivery of energy to that load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

I. DEFINITIONS

- A. **Avoided Cost** – Avoided Cost shall be defined as incremental cost to Entergy of electric energy which, but for a positive Imbalance, Entergy would generate itself or purchase from another source.
- B. **Deficient Energy** – A negative Imbalance that results from the net generation resources being less than the actual loads of a Transmission Customer
- C. **Entergy System Incremental Cost** – The Entergy System Incremental Cost (“ESIC”) shall be the most expensive source of energy generated or purchased by Entergy, excluding energy purchase with a duration of longer than a calendar month, any purchase with a duration of a calendar month that was purchased more than one calendar month prior to the beginning of the purchase, any multi-year energy purchases, and any Entergy generation that would not be operating in that hour but for transmission reliability purposes.
- D. **Excess Energy** – A positive Imbalance that results from the net generation resources being more than the actual loads of a Transmission Customer.
- E. **Imbalance** – A measure of the hourly difference between the generation resources and the actual loads of a Transmission Customer.

- F. On-Peak Hours – On-Peak Hours shall be defined as the weekday hours commencing at 6:00 a.m. and ending at 10:00 p.m., central prevailing time.

II. RETURN IN-KIND AND IMBALANCE PRICING

The Transmission Provider shall establish a deviation band of +/- 1.5 percent (with a minimum of 2 MW integrated hourly) of the hourly metered energy (load) to be applied hourly to any energy imbalance that occurs. Parties should attempt to eliminate energy imbalances within the limits of the deviation band within thirty (30) days or within such other reasonable period of time as is generally accepted in the region and consistently adhered to by the Transmission Provider. If an energy imbalance is not corrected, within thirty (30) days or within such other reasonable period of time as is generally accepted in the region and consistently adhered to by the Transmission Provider, the Transmission Customer will compensate the Transmission Provider for such service. The charges for Energy Imbalance Service are set forth below. The charge for Energy Imbalance Service shall be determined hourly for each hour of the monthly billing period and shall be calculated as follows:

- A. To the extent that the deviation between the Transmission Customer's hourly metered (actual delivered) energy and the energy actually supplied by Transmission Customer's resources in any hour is within plus or minus one and one-half percent (with a minimum of 2 MW integrated hourly) of the Transmission Customer's hourly metered (actual delivered) energy for that hour, such over-scheduled or under-scheduled energy shall be accumulated in: (i) an "On-Peak Account" for over- or under-scheduled energy occurring during the hours defined by NERC to be on-peak hours; or (ii) in an "Off-Peak Account" for over- or under-scheduled energy occurring during the hours defined by NERC to be off-peak hours.

B. To the extent that the deviation between the Transmission Customer's hourly metered (actual delivered) energy and the energy actually supplied by Transmission Customer's resources in any hour is greater than plus or minus one and one-half percent (with a minimum of 2 MW integrated hourly) of the Transmission Customer's hourly metered (actual delivered) energy for that hour: (i) Entergy shall provide the amount of energy delivered to Transmission Customer in excess of the one and one-half percent deviation during that hour at a rate equal 125% of ESIC; or (ii) Entergy shall purchase the amount of energy produced by Transmission Customer's resources in excess of the one and one-half percent (with a minimum of 2 MW integrated hourly) deviation band but less than 10% of the hourly metered energy or less than 20 MWh at a rate of 80% of Avoided Cost during that hour. Entergy shall purchase the amount of energy produced by Transmission Customer's resources greater than 10% of the hourly metered energy and greater than 20 MWh at a rate of 70% of Avoided Cost during that hour.

C. In addition to the return-in-kind settlement set forth in Section A, above, to the extent that the amount of energy accumulated in the Customer's "On-Peak Account" or the Transmission Customer's "Off-Peak Account" at the end of any hour exceeds six (6) percent of the Transmission Customer's hourly metered (actual delivered) energy during that hour: (i) Entergy shall provide and Transmission Customer shall purchase such energy exceeding the six (6) percent that was delivered to Transmission Customer in excess of the amount of energy produced by Transmission Customer's resources at a rate equal to 125% of ESIC; or (ii) Entergy shall purchase such energy exceeding six (6) percent that was produced by Transmission Customer's resources in excess of the amount of energy delivered to Customer at a rate of 70% of Avoided Cost.

D. Customer shall eliminate energy imbalances within the “On-Peak Account” and the “Off-Peak Account” at the end of the monthly billing period by purchasing or selling such energy. For any Excess Energy remaining in the on-peak account, that energy will be purchased at 70% of the average of the hourly on-peak Avoided Cost in that month. For any Excess Energy remaining in the off-peak account, that energy will be purchased at 70% of the average of the hourly off-peak Avoided Cost in that month. For any Deficient Energy remaining in the on-peak account, that energy will be priced at 125% of the average of the hourly ESIC for the on-peak hours in that month. For any Deficient Energy remaining in the off-peak account, that energy will be priced at 125% of the average of the hourly ESIC for the off-peak hours in that month.

III. CREDITING OF PENALTY REVENUES

The Transmission Provider will credit revenues that it receives in excess of the costs it incurs to accommodate energy imbalances (“penalty revenues”) to the Transmission Provider’s Native Load Customers and Transmission Customers who have not experienced energy imbalances under this Schedule. The credits shall be calculated and allocated as set out below.

A. The penalty revenues for which the Transmission Provider provides credits consist of the sum of the following amounts:

(i) for Deficient Energy in excess of the deviation band in an hour, the amount by which the Transmission Provider’s revenues for such imbalance exceed ESIC times the customers quantity of Deficient Energy in that hour;

(ii) for Excess Energy in excess of the deviation band in an hour, the amount by which any payment to a Transmission Customer is less than Avoided Cost times the customers quantity of Excess Energy in that hour;

(iii) for each monthly net Deficient Energy account that a Transmission Customer settles by monetary payment pursuant to Section II.D above, the amount by which such payment by all Transmission Customers for such Deficient Energy in the month exceeds the product of the average ESIC for the hours in the month in which the Deficient Energy occurred and the MWh of Deficient Energy that were settled by monetary payments in that month; and

(iv) for each monthly net Excess Energy account that a Transmission Customer settles by monetary payment pursuant to Section II.D above, the amount by which such payment by Transmission Provider for such Excess Energy in the month is less than the product of the average Avoided Cost for the hours in the month in which the Excess Energy occurred and the MWh of Excess Energy that were settled by monetary payments in that month.

B. The imbalance penalty revenues calculated pursuant to Section III.A (i) and (ii) shall be credited based on the ratio of transmission [~~revenues from each Network~~]usage of the Transmission [~~Customer or Point to Point~~]Provider's Native Load Customers and each Transmission Customer that did not experience an energy imbalance under this Schedule in excess of the deviation band in an hour to the [~~sum of the~~]total transmission [~~revenues from~~]usage from the Transmission Provider's Native Load Customers and all Transmission Customers who did not experience energy imbalances under this Schedule in the hour. A Transmission Customer that experiences an energy imbalance in excess of the deviation band in an hour shall not receive a credit pursuant to this Section for that hour.

The imbalance penalty revenues calculated pursuant to Section III.A (iii) shall be credited ~~[transmission to each Transmission Customer that]~~based on the ratio of transmission usage from the Transmission Provider's Native Load Customers and each Transmission Customer that did not have net Deficient Energy under this Schedule ~~[in the month based on the ratio of the transmission revenues from each such Transmission Customer]~~ in the month to the ~~[sum of the]~~total transmission ~~[revenues from]~~usage from the Transmission Provider's Native Load Customers and all Transmission Customers who did not ~~[experience energy imbalances in the]~~have net Deficient Energy under this Schedule in the month. A Transmission Customer that experiences net Deficient Energy in the month shall not receive a credit pursuant to this Section for that month.

The imbalance penalty revenues calculated pursuant to Section III.A (iv) shall be credited to ~~[each]~~based on the ratio of transmission usage from the Transmission Provider's Native Load Customers and each Transmission Customer that did not have net Excess Energy under this Schedule ~~[in the month based on the ratio of the transmission revenues from each such Transmission Customer]~~ in the month to the ~~[sum of the]~~total transmission ~~[revenues from]~~usage from the Transmission Provider's Native Load Customers and all Transmission Customers who did not ~~[experience energy imbalances in the]~~have net Excess Energy under this Schedule in the month. A Transmission Customer that experiences net Excess Energy in the month shall not receive a credit pursuant to this Section for that month.

C. The Transmission Provider shall only disburse accumulated penalty revenues, plus interest calculated in accordance with 18 C.F.R § 35.19a, when the annual ~~[accumulated amount of penalty revenues collected]~~refund obligation for Transmission Customers (exclusive of the

Transmission Provider's Native Load Customers) reaches \$100,000. The annual period will commence on January 1 every year and end on December 31. Penalty revenues in one year will not be carried over into subsequent years.

SCHEDULE 7

Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth in Appendix A or Appendix B to this Schedule 7 unless the pricing provisions of Attachment T related to redispatch or the construction of new facilities apply.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission services rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

GENERAL NOTES

1. THE TEST YEAR SHALL BE THE CALENDAR YEAR USED TO DETERMINE THE VALUE OF THE VARIOUS PARAMETERS IN THE FOLLOWING FORMULA.
2. EXCEPT WHERE INDICATED OTHERWISE, THE COST CONCEPTS CONTAINED IN THIS ATTACHMENT 1 ARE TO BE DETERMINED BY SUMMING THE CORRESPONDING VALUES FOR THE VARIOUS ENTERGY OPERATING COMPANIES.
3. ALL RATE BASE ITEMS REFLECT 13-MONTH AVERAGE BALANCES FOR THE TEST YEAR. THE COST OF CAPITAL IS TO BE DETERMINED AS OF THE END OF THE TEST YEAR.
4. ALL EXPENSE ITEMS UNLESS OTHERWISE SPECIFIED REFLECT TOTAL TEST YEAR AMOUNTS.
5. IN THE EVENT EITHER THE STATUTORY STATE OR FEDERAL CORPORATE INCOME TAX RATES CHANGE AFTER THE ANNUAL RATE REDETERMINATION IS SUBMITTED IN ANY YEAR, THEN THE RATES SHALL BE REDETERMINED ON AN INTERIM BASIS TO REFLECT SUCH TAX RATE CHANGE. ALL OTHER PARAMETERS SHALL REMAIN UNCHANGED. THE REDETERMINED RATES SHALL BECOME EFFECTIVE COMMENCING WITH THE BILLING MONTH IN WHICH THE TAX RATE(S) CHANGE. ANY SUCH REDETERMINATION SHALL BE SUBMITTED TO THE FERC AND THE CUSTOMER(S) AND SHALL CONSIST OF THE FOLLOWING:
 - (A) TRANSMITTAL LETTER SETTING OUT BASIS FOR THE CHANGE
 - (B) COPY OF DOCUMENTATION SUPPORTING THE CHANGE IN STATUTORY TAX RATE(S)
 - (C) COMPARISON SHOWING EFFECT OF THE CHANGE ON AFFECTED CUSTOMERS
 - (D) REDETERMINATION OF THE RATES REFLECTING THE REVISED TAX RATE(S)

COMMON PARAMETERS

COST OF CAPITAL

CC = BEFORE TAX COST OF CAPITAL

$$CC = \frac{D * DR + PF * PR + CE * CR}{TX}$$

WHERE:

D = EMBEDDED COST RATE OF LONG-TERM DEBT

DR = DEBT CAPITALIZATION RATIO

PF = EMBEDDED COST RATE OF PREFERRED STOCK

PR = PREFERRED STOCK CAPITALIZATION RATIO

CE = 0.1100

CR = COMMON EQUITY CAPITALIZATION RATIO

TX = COMPOSITE CORPORATE AFTER TAX RATE

$$TX = (1 - S)(1 - F)$$

WHERE:

S = AVERAGE EFFECTIVE STATUTORY STATE CORPORATE INCOME TAX RATE FOR THE ENTERGY OPERATING COMPANIES AS WEIGHTED BY NET TRANSMISSION PLANT INVESTMENT IN THOSE OPERATING COMPANIES¹

F = STATUTORY FEDERAL CORPORATE INCOME TAX RATE

¹ THE EFFECTIVE STATE TAX RATE FOR A COMPANY OPERATING IN MORE THAN ONE STATE SHALL BE THE ARITHMETIC AVERAGE OF THE EFFECTIVE TAX RATE FOR THOSE STATES

COMMON PARAMETERS (Cont'd)

ACCUMULATED DEFERRED INCOME TAXES

ADIT = ACCUMULATED DEFERRED INCOME TAXES

ADIT = ADTL + ITC

WHERE:

ADTL = THE BALANCES IN ACCOUNTS 190, 281, 282, AND 283 AS REDUCED BY (1) ANY AMOUNTS ASSOCIATED WITH REGULATORY ASSETS OR LIABILITIES CREATED BY THE ACTION OF A RETAIL REGULATOR AND (2) OTHER AMOUNTS NOT GENERALLY AND PROPERLY INCLUDABLE FOR COST OF SERVICE PURPOSES

ITC = ACCUMULATED DEFERRED INVESTMENT TAX CREDIT - 3% PORTION ONLY

PLANT RATIO

TPR = TRANSMISSION PLANT RATIO

TPR = $\frac{TPLT}{PPLT + TPLT + DPLT + GPLT}$

WHERE:

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE—EXCLUDING COAL MINING EQUIPMENT

LABOR RATIO

TLR = TRANSMISSION LABOR RATIO

TLR = $\frac{TL}{PXAG}$

WHERE:

TL = TRANSMISSION PAYROLL CHARGED TO O&M EXPENSE

PXAG = PAYROLL CHARGED TO O&M EXPENSE, EXCEPT ADMINISTRATIVE AND GENERAL O&M EXPENSE

COMMON PARAMETERS (Cont'd)

A&G EXPENSE

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

AG = AGXP - EEI - EPRI - RRE

WHERE:

AGXP = TOTAL ADMINISTRATIVE AND GENERAL O&M EXPENSE

EEI = EDISON ELECTRIC INSTITUTE EXPENSES

EPRI = ELECTRIC POWER RESEARCH INSTITUTE EXPENSES

RRE = RETAIL REGULATORY EXPENSES

OTHER TAX RATE

OTR = OTHER TAX RATE

OTR = $\frac{\text{TXO} - \text{PYTX} - \text{RTX}}{\text{PPLT} + \text{TPLT} + \text{DPLT} + \text{GPLT}}$

WHERE:

TXO = TAXES OTHER THAN INCOME TAXES (ACCOUNT 408.1)

PYTX = PAYROLL RELATED TAX EXPENSE

RTX = RETAIL RELATED TAXES²

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE—EXCLUDING COAL MINING EQUIPMENT

² INCLUDES, BUT NOT LIMITED TO, GROSS RECEIPTS TAX, FRANCHISE TAXES, REGULATORY ASSESSMENT TAXES/FEEES, USE TAXES, OCCUPATION TAXES AND ALL OTHER SIMILAR TAXES LEVIED ON THE BASIS OF RETAIL CUSTOMERS, RETAIL MWH SALES, OR RETAIL REVENUES.

LONG-TERM FIRM TRANSMISSION SERVICE RATE

LFTSR = LONG-TERM FIRM TRANSMISSION SERVICE RATE (\$/kW-MONTH)

$$\text{LFTSR} = \frac{\text{TRB} * \text{CC} + (\text{TPLTXS}/\text{TPLT}) * (-\text{TREV} - \text{FREV} + \text{TXP} - \text{TPR} * \text{ITCWO} / \text{TX})}{12 * \text{TKW}}$$

WHERE:

TRB = TRANSMISSION RATE BASE

$$\text{TRB} = \text{TPLTXS} - \text{TDRXS} + (\text{TPLTXS}/\text{TPLT}) * [\text{TLR} * (\text{GPLT} - \text{GDR}) + \text{TPR} * (\text{MS} + \text{PPT} - \text{ADIT})] + \text{URA}$$

WHERE:

TPLTXS = TRANSMISSION PLANT IN SERVICE EXCLUDING STEP-UP TRANSFORMERS

TDRXS = TRANSMISSION ACCUMULATED DEPRECIATION EXCLUDING STEP-UP TRANSFORMERS (1)

TPLT = TRANSMISSION PLANT IN SERVICE (2)

TLR = TRANSMISSION LABOR RATIO

GPLT = GENERAL PLANT IN SERVICE - EXCLUDING COAL MINING EQUIPMENT

GDR = GENERAL PLANT ACCUMULATED DEPRECIATION - EXCLUDING COAL MINING EQUIPMENT

TPR = TRANSMISSION PLANT RATIO

MS = MATERIALS AND SUPPLIES

PPT = PREPAID TAXES AND INSURANCE

ADIT = ACCUMULATED DEFERRED INCOME TAXES

URA = UNAMORTIZED REGULATORY ASSET (3)

CC = BEFORE TAX COST OF CAPITAL

NOTE:

- 1) Transmission depreciation shall be adjusted by Table C amounts for reductions of the 13-Month Average Depreciation Expense for AFUDC previously capitalized and funded with transmission customer prepayments.
- 2) Transmission plant shall be adjusted for the unamortized balance of transmission customer prepayments in the "B" sub-account of FERC Account 253, but limited to prepayments received for construction (*i.e.*, excluding tax gross-ups and accrued interest) and adjusted for AFUDC previously capitalized and funded by transmission customer prepayments.
- 3) This variable contains a value(s) that results from a FERC order(s) that requires deferral and amortization over a future period such as Table B – Unamortized Rate Base Asset for Accrued Interest for transmission customer prepayments.

LONG-TERM FIRM TRANSMISSION SERVICE RATES (Cont'd)

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

MREV = FACILITIES REVENUE ASSOCIATED WITH TRANSMISSION FACILITIES WHICH ARE DIRECTLY ASSIGNED TO CUSTOMERS AND FOR WHICH COSTS ARE NOT RECOVERED THROUGH A CONTRIBUTION-IN-AID, [~~PLUS FOR TEST YEARS 2003 AND 2004 ONLY, REVENUES COLLECTED PURSUANT TO THE LONG TERM FIRM POINT TO POINT TRANSMISSION SERVICE AGREEMENT BETWEEN ENTERGY SERVICES, INC., AND THE CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS AS IT EXISTED ON NOVEMBER 15, 2002.~~]

TXP = TOTAL TRANSMISSION EXPENSE

TXP = TOM - TEQ + TLR * AG + TDX + TLR * GDY + OTR * TPLT + TLR * PYTX + RA

WHERE:

TOM = TRANSMISSION O&M EXPENSE EXCLUSIVE OF SYSTEM CONTROL AND DISPATCHING EXPENSE IN FERC ACCOUNT 561 (1)

TEQ = TRANSMISSION EQUALIZATION EXPENSE INCURRED UNDER SCHEDULE MSS-2 OF THE ENTERGY SYSTEM AGREEMENT

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

TDX = TRANSMISSION DEPRECIATION EXPENSE (2)

GDY = GENERAL PLANT DEPRECIATION EXPENSE

OTR = OTHER TAX RATE

PYTX = PAYROLL RELATED TAX EXPENSE

RA = REGULATORY ASSET RELATED EXPENSE (3)

ITCWO = INVESTMENT TAX CREDIT WRITE-OFF

TX = COMPOSITE CORPORATE AFTER TAX RATE

TKW = THE ENTERGY SYSTEM NET AREA PEAK DEMAND (kW) FOR THE TEST YEAR ("ENTERGY PEAK"), WHICH SHALL INCLUDE THE LOAD PLACED ON THE ENTERGY TRANSMISSION SYSTEM AT THE TIME OF THE ENTERGY PEAK BY ENTERGY'S INTERRUPTIBLE RETAIL CUSTOMERS, AS INCREASED BY FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS WITH TERMS EXCEEDING 12 MONTHS, WHICH ARE NOT INCLUDED IN THE ENTERGY PEAK [~~AND EXCLUDING, FOR TEST YEARS 2003 AND 2004 ONLY, FIRM TRANSMISSION SERVICE ASSOCIATED WITH THE LONG TERM POINT TO POINT TRANSMISSION SERVICE AGREEMENT BETWEEN ENTERGY SERVICES, INC. AND THE CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO ARKANSAS AS IT EXISTED ON NOVEMBER 15, 2002.~~], (4)(5)

NOTE:

- 1) AMOUNTS IN FERC ACCOUNT 565 SHALL BE INCLUDED ONLY TO THE EXTENT SUCH AMOUNTS REPRESENT PAYMENTS FOR THE USE OF TRANSMISSION FACILITIES OF OTHERS THAT SUPPORT ENTERGY'S TRANSMISSION SYSTEM. THE VARIABLE "TOM" SHALL BE ADJUSTED TO EXCLUDE THE INDEPENDENT COORDINATOR OF TRANSMISSION ANNUAL COSTS WHICH SHALL BE RECOVERED VIA SCHEDULE 10.
- 2) TRANSMISSION EXPENSE SHALL BE ADJUSTED BY THE TABLE C AMOUNTS - ACCUMULATED DEPRECIATION EXPENSE FOR AFUDC PREVIOUSLY CAPITALIZED AND FUNDED BY TRANSMISSION CUSTOMER PREPAYMENTS.
- 3) THIS VARIABLE CONTAINS A VALUE(S) THAT RESULTS FROM AN ORDER(S) THAT REQUIRES DEFERRAL AND AMORTIZATION OVER A FUTURE PERIOD SUCH AS TABLE B AMORTIZATION OF INTEREST EXPENSE FOR TRANSMISSION CUSTOMER PREPAYMENTS ACCRUED AND PAID INTEREST.
- 4) FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS NOT INCLUDED IN THE ENTERGY PEAK SHALL UTILIZE CAPACITY RESERVATION AMOUNTS SET BY CONTRACT, WHERE APPLICABLE - INCLUDING FOR FIRM OFF-SYSTEM

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SALES THAT PORTION OF THE CAPACITY RESERVATION AMOUNTS SET BY CONTRACT NOT OTHERWISE INCLUDED IN THE ENTERGY PEAK - AND METERED OR SCHEDULED LOADS AT THE TIME OF THE ENTERGY PEAK OTHERWISE.

- 5) FIRM DELIVERIES ARE TO BE ADJUSTED FOR LOSSES TO THE TRANSMISSION SYSTEM INPUT LEVEL UTILIZING THE APPLICABLE LOSS FACTORS SET OUT IN PARAGRAPH 2 OF APPENDIX A.

~~[6) THE VARIABLE "TOM" SHALL BE ADJUSTED TO EXCLUDE THE INDEPENDENT COORDINATOR OF TRANSMISSION ANNUAL COSTS WHICH SHALL BE RECOVERED VIA SCHEDULE 10.]~~

SHORT-TERM FIRM TRANSMISSION SERVICE RATES

MFTSR = MONTHLY FIRM TRANSMISSION RATE (\$/kW-MONTH)

$$\text{MFTSR} = \frac{12 * \text{LFTSR} * \text{TKW} + (\text{TPLTXS} / \text{TPLT}) * \text{TREV}}{12 * \text{TKW}}$$

WHERE:

LFTSR = LONG-TERM FIRM TRANSMISSION SERVICE RATE AS DEFINED ON PAGES 5 AND 6 OF THIS ATTACHMENT 1

TKW = THE ENTERGY SYSTEM NET AREA PEAK DEMAND (kW) FOR THE TEST YEAR ("ENTERGY PEAK"), WHICH SHALL INCLUDE THE LOAD PLACED ON THE ENTERGY TRANSMISSION SYSTEM AT THE TIME OF THE ENTERGY PEAK BY ENTERGY'S INTERRUPTIBLE RETAIL CUSTOMERS, AS INCREASED BY FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS WITH TERMS EXCEEDING 12 MONTHS, WHICH ARE NOT INCLUDED IN THE ENTERGY PEAK [~~AND EXCLUDING, FOR TEST YEARS 2003 AND 2004 ONLY, FIRM TRANSMISSION SERVICE ASSOCIATED WITH THE LONG TERM FIRM POINT TO POINT TRANSMISSION SERVICE AGREEMENT BETWEEN ENTERGY SERVICES, INC].~~ [~~AND THE CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS AS IT EXISTED ON NOVEMBER 15, 2002.~~]

TPLTXS = TRANSMISSION PLANT IN SERVICE EXCLUDING STEP-UP TRANSFORMERS

TPLT = TRANSMISSION PLANT IN SERVICE

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

WFSTR = WEEKLY FIRM TRANSMISSION SERVICE RATE (\$/kW-WEEK)

$$\text{WFSTR} = \frac{12 * \text{MFTSR}}{52}$$

DPFSTR = DAILY ON-PEAK FIRM TRANSMISSION SERVICE RATE (\$/kW-DAY) (1)(2)

$$\text{DPFSTR} = \frac{12 * \text{MFTSR}}{260}$$

DOFSTR = DAILY OFF-PEAK FIRM TRANSMISSION SERVICE RATE (\$/KW-DAY)(1)(2)

$$\text{DOFSTR} = \frac{12 * \text{MFTSR}}{365}$$

NOTE:

1) On-Peak days are Monday through Friday. Off-Peak days are Saturday and Sunday.

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2) The total charge in any week for Daily On-Peak and Daily Off-Peak Firm Transmission Service shall not exceed the Weekly Short-Term Firm Transmission Service rate multiplied by the maximum daily capacity reservation during such week.

MAXIMUM NON-FIRM TRANSMISSION SERVICE RATES

HPNTSR = HOURLY ON-PEAK NON-FIRM TRANSMISSION SERVICE RATE (\$/kWh) (1)(2)

$$\text{HPNTSR} = \frac{12 * \text{LFTSR} * \text{TKW} + (\text{TPLTXS} / \text{TPLT}) * \text{TREV}}{4,160 * \text{TKW}}$$

HONTSR = HOURLY OFF-PEAK NON-FIRM TRANSMISSION SERVICE RATE (\$/kWh) (1)

$$\text{HONTSR} = \frac{12 * \text{LFTSR} * \text{TKW} + (\text{TPLTXS} / \text{TPLT}) * \text{TREV}}{8,760 * \text{TKW}}$$

WHERE:

LFTSR = LONG-TERM FIRM TRANSMISSION SERVICE RATE AS DEFINED ON PAGES 5 AND 6 OF THIS ATTACHMENT 1

TKW = THE ENTERGY SYSTEM NET AREA PEAK DEMAND (kW) FOR THE TEST YEAR ("ENTERGY PEAK"), WHICH SHALL INCLUDE THE LOAD PLACED ON THE ENTERGY TRANSMISSION SYSTEM AT THE TIME OF THE ENTERGY PEAK BY ENTERGY'S INTERRUPTIBLE RETAIL CUSTOMERS, AS INCREASED BY FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS WITH TERMS EXCEEDING 12 MONTHS, WHICH ARE NOT INCLUDED IN THE ENTERGY PEAK [~~AND EXCLUDING, FOR TEST YEARS 2003 AND 2004 ONLY, FIRM TRANSMISSION SERVICE ASSOCIATED WITH THE LONG TERM FIRM POINT TO POINT TRANSMISSION SERVICE AGREEMENT BETWEEN ENTERGY SERVICES, INC]. [AND THE CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS AS IT EXISTED ON NOVEMBER 15, 2002.]~~]

TPLTXS = TRANSMISSION PLANT IN SERVICE EXCLUDING STEP-UP TRANSFORMERS

TPLT = TRANSMISSION PLANT IN SERVICE

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

NOTE:

- 1) On-peak hours are from the hour beginning at 6:00 a.m. and continuing until the hour ending at 10:00 p.m. Monday through Friday. All other hours are off-peak hours.
- 2) The hourly on-peak non-firm transmission rate is a ceiling rate capped at the respective firm rate. The total charge in any day for hourly service shall not exceed the weekly rate multiplied by the maximum hourly capacity reservation during such day. In addition, the total demand charge in any week pursuant to a reservation of hourly or daily service shall not exceed the weekly rate multiplied by the maximum hourly capacity reservation in any hour during such week.

**[~~REDISPATCH PROCEDURES AND REDISPATCH COSTS FOR~~
~~FIRM POINT-TO-POINT TRANSMISSION SERVICE~~]**

[~~I. Purpose~~]

~~[To the extent the Transmission Provider can relieve any system constraint for Firm Point-to-Point Transmission Service more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 of this Tariff. This procedure is not for the purpose of sustaining non-firm service, which is curtailable.]~~

[~~II. Obligations~~]

~~[The Transmission Provider shall redispatch its own generation resources for the stated purpose. As a condition precedent to receiving Firm Point-to-Point Transmission Service, a Transmission Customer agrees to pay the higher of 1) the Firm Transmission Service charge, or, 2) the directly assigned costs for Network Upgrades to the extent consistent with Commission policy or the redispatch cost necessary to relieve transmission constraints if by redispatch the Firm Transmission Service can be provided more economically than through new facilities. To the extent practical, the redispatch of all such resources shall be on a least cost basis.]~~

[~~III. Redispatch for Firm Transmission Application~~]

[~~Determination of Redispatch Costs~~]

~~[Upon receipt of an application for Firm Point-to-Point Transmission Service, the Transmission Provider shall perform a System Impact Study to assess the availability of the requested Firm Transmission Service. Where the requested Firm Transmission Service is determined to be not fully available because of transmission constraints, then the Transmission Provider will assess the need for generation redispatch. If the Transmission Provider concludes that redispatch can sustain the requested Firm Transmission Service, then the Transmission Provider will determine the Redispatch Costs for the relief of transmission constraints.]~~

~~[The procedure to be implemented is as follows:]~~

~~[1) Determine the available transmission capacity for the requested Firm Transmission Service utilizing a load flow computer simulation of the transmission system containing no Non-firm Point-to-Point transactions on the Transmission Provider's transmission system.]~~

~~[2) Determine the Transmission Provider's owned generation resources that will most cost effectively relieve the transmission constraint and the amount of transmission capacity available through redispatch.]~~

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~~[3) The Transmission Provider shall determine the incremental cost of redispatch that will relieve the transmission constraint.]~~

~~[4) The Transmission Provider shall inform the Eligible Customer of the cost for the Firm Transmission Service requested.]~~

~~[Redispatch Costs for the Firm Transmission Application shall be incremental fuel and incremental operation and maintenance costs of generation facilities necessary to relieve constraints on the Transmission Provider's Transmission System, with and without the Firm Transmission Service, to the extent not already included in the annual determination of rates. Incremental operation and maintenance costs shall be based on the most recent production cost analysis of the Transmission Provider's generation system. Incremental fuel will be based on best available forecasted fuel prices for the effected generation facilities.]~~

~~[IV. Redispatch Charge]~~

~~[Redispatch charges for Firm Transmission Service shall be included in the Service Agreement, consistent with Commission policy.]~~

~~[V. Non-discrimination]~~

~~[The Transmission Provider will apply this same Procedure and analysis to requests for Firm Point to Point Transmission Service made by the Transmission Provider's affiliates.]~~

~~[VI. Confidentiality]~~

~~[In those instances where the Transmission Provider proposes to charge for redispatch costs, the analysis and supporting costs will be made available to the Customer for his review. The Transmission Provider reserves the right to require a confidentiality agreement.]~~

INDEPENDENT COORDINATOR OF TRANSMISSION OPERATION COSTS

ICT OP COSTS TRANSMISSION SERVICE RATE

ICTTSR = ICT OP COSTS SERVICE RATE (\$/MWH)

ICTTSR = $\frac{\text{OPCOS}}{\text{MWH}}$

WHERE:

OPCOS = ICT OP COSTS

OPCOS = ACOS + ADJ + TUA

ACOS = PRIOR YEAR ANNUAL ICT OP COST (1)

ADJ = ADJUSTMENT (2)

TUA = TRUE-UP AMOUNT (3)

MWH = TOTAL MWH TRANSMITTED BY THE ENTERGY TRANSMISSION SYSTEM FOR THE PREVIOUS CALENDAR YEAR INCLUDING ADJUSTMENT FOR LOSSES TO THE ENTERGY TRANSMISSION SYSTEM INPUT LEVEL (4)

NOTES:

- (1) THE 2007 CALENDAR YEAR PROJECTED ANNUALIZED ICT OP COSTS WILL BE USED FOR THE INITIAL RATE CALCULATION
- (2) ADJUSTMENT FOR KNOWN OR PROJECTED CHANGES IN ICT OP COSTS
- (3) THE ACTUAL ICT OP COSTS LESS THE SUM OF THE ACTUAL AND IMPUTED COLLECTIONS
- (4) 2005 MWH WILL BE USED FOR THE INITIAL RATE CALCULATION

ATTACHMENT A
FIRM POINT-TO-POINT
TRANSMISSION SERVICE AGREEMENT

BETWEEN

ENTERGY SERVICES, INC.
ACTING AS AGENT FOR
ENTERGY ARKANSAS, INC.,
ENTERGY GULF STATES, INC.,
ENTERGY LOUISIANA, LLC,
ENTERGY MISSISSIPPI, INC., AND
ENTERGY NEW ORLEANS, INC.

AND

[CUSTOMER]

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. (Entergy Services), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively, the "Transmission Provider"), and [Customer], a corporation organized and existing under the laws of the State of _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff, or has satisfied the creditworthiness requirements of Section 11 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

Transmission Customer:

- 7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Entergy Services, Inc.:

By: _____ Title _____ Date _____

Transmission Customer:

By: _____ Title _____ Date _____
Name

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

ATTACHMENT A-1
Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Long-Term Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (Entergy Services, Inc.), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller, as identified below, of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee and appropriately specified in this Service Agreement. Such negotiated terms and conditions include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit or charge the Reseller, as appropriate, for any difference between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

Assignee:

- 6.0 The Tariff is incorporated herein and made a part hereof.

Issued by: Randall Helmick
Vice President, Transmission

Effective: July 13, 2007

Issued on: July 13, 2007

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

<u>By:</u>	<u>Title</u>	<u>Date</u>
<u>Name</u>		

Assignee:

<u>By:</u>	<u>Title</u>	<u>Date</u>
<u>Name</u>		

Issued by: Randall Helmick
Vice President, Transmission

Effective: July 13, 2007

Issued on: July 13, 2007

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction:

Start Date:

Termination Date:

2.0 Description of capacity and energy to be transmitted by Transmission Provider
including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt:

Delivering Party:

4.0 Point(s) of Delivery:

Receiving Party:

5.0 Maximum amount of reassigned capacity:

6.0 Designation of party(ies) subject to reciprocal service
obligation:

7.0 Name(s) of any Intervening Systems providing transmission
service:

8.0 Service under this Agreement may be subject to some combination of the charges
detailed below. (The appropriate charges for individual transactions will be
determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

8.5 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B
NON-FIRM POINT-TO-POINT
TRANSMISSION SERVICE AGREEMENT

BETWEEN

ENTERGY SERVICES, INC.
ACTING AS AGENT FOR
ENTERGY ARKANSAS, INC.,
ENTERGY GULF STATES, INC.,
ENTERGY LOUISIANA, LLC,
ENTERGY MISSISSIPPI, INC., AND
ENTERGY NEW ORLEANS, INC.

AND

[CUSTOMER]

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. (Entergy Services), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively, the "Transmission Provider"), and [Customer], a corporation organized and existing under the laws of the State of _____ ("Transmission Customer").
- 2.0 The Transmission Customer has: (i) been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff (ii) filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff, and (iii) has satisfied the creditworthiness requirements of Section 11 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

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Vice President, Transmission

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6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Entergy Services, Inc.:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

ATTACHMENT F
SERVICE AGREEMENT FOR
NETWORK INTEGRATION TRANSMISSION SERVICE

BETWEEN

ENTERGY SERVICES, INC.
ACTING AS AGENT FOR
ENTERGY ARKANSAS, INC.,
ENTERGY GULF STATES, INC.,
ENTERGY LOUISIANA, LLC,
ENTERGY MISSISSIPPI, INC., AND
ENTERGY NEW ORLEANS, INC.

AND

(CUSTOMER)

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. ("Entergy Services"), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively the "Transmission Provider"), and _____ ("Transmission Customer") a corporation organized and existing under the laws of the State of _____ .
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of \$_____, in accordance with accordance with the provisions of Section 29.2 of the Tariff, or has satisfied the creditworthiness requirements

Specifications For Network Integration
Transmission Service

1.0 Term of Transaction:
Start Date:
Termination Date:

2.0 Description of Network Resources and Network Loads for Network Integration
Transmission Service including the electric Control Area in which the Network
Resources and Network Loads are located.

Resources:

Load:

3.0 Designation of Party(ies) subject to reciprocal service obligation:

4.0 Name(s) of Intervening Systems providing transmission service:

5.0 Service under this Agreement may be subject to some combination of the charges
detailed below. (The appropriate charges for individual transactions will be determined in
accordance with the terms and conditions of the Tariff.)

5.1 Transmission Charge:

5.2 System Impact and/or Facilities Study Charge(s):

5.3 Direct Assignment Facilities Charge:

5.4 Ancillary Services Charges:

5.4.1 The charges for Scheduling, System Control and Dispatch Services are as provided for in Entergy's Open Access Transmission Tariff, Schedule 1.

5.4.2 The charges for Reactive Supply and Voltage Control from Generation Sources Services are as provided for in Entergy's Open Access Transmission Tariff, Schedule 2.

5.4.3 The charges for Regulation and Frequency Response Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 3.

5.4.4 The charges for Energy Imbalance Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 4.

5.4.5 The charges for Operating Reserve – Spinning Reserve Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 5.

5.4.6 The charges for Operating Reserve – Supplemental Reserve Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 6.

5.5 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

ATTACHMENT G
FORM OF NETWORK OPERATING AGREEMENT

NETWORK OPERATING AGREEMENT

BETWEEN

ENTERGY SERVICES, INC.
AS AGENT FOR
Entergy Arkansas, Inc.
Entergy Gulf States, Inc.
Entergy Louisiana, LLC
Entergy Mississippi, Inc.
Entergy New Orleans, Inc.,

AND

[CUSTOMER]

This Network Operating Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. ("Entergy Services"), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively the "Transmission Provider"), and ("Transmission Customer") a corporation organized and existing under the laws of the State of

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Vice President, Transmission

Effective: July 13, 2007

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RECITALS WHEREAS, the Transmission Provider are engaged in the business of generating, purchasing, transmitting, and distributing electric power and energy in portions of the States of Arkansas, Louisiana, Mississippi, and Texas;

WHEREAS, on July 14, 1997, Entergy Services, on behalf of the Transmission Provider, filed with the Federal Energy Regulatory Commission ("FERC") in Docket No. OA97-657-000 an Open Access Transmission Tariff ("Tariff"), as amended on July 13, 2007 in Docket No. OA07-17-000, pursuant to which the Transmission Provider will provide Network Integration Transmission Service, i.e. a firm service that is intended to provide an Eligible Customer access to the Transmission Provider's Transmission System in a manner that allows the Eligible Customer to integrate, economically dispatch, and regulate its current and planned Network Resources to serve its Network Load where all or part of such Network Load is directly connected to the Transmission System;

WHEREAS, the Tariff contemplates that Entergy Services will act as agent for the Transmission Provider with respect to the administration of the Tariff, and the Transmission Provider in the Entergy System Agency Agreement, as amended, have authorized Entergy Services to act as their agent with respect to the execution of new contracts and administration of contracts;

WHEREAS, [Customer] is a corporation engaged in [brief description of Customer's activities];

ATTACHMENT H

Network Integration Transmission Service Charges

The Transmission Customer shall compensate the Transmission Provider each month in accordance with the provisions of Appendix 1 attached to this Attachment H.

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

GENERAL NOTES

1. THE TEST YEAR SHALL BE THE CALENDAR YEAR USED TO DETERMINE THE VALUE OF THE VARIOUS PARAMETERS IN THE FOLLOWING FORMULA.
2. EXCEPT WHERE INDICATED OTHERWISE, THE COST CONCEPTS CONTAINED IN THIS ATTACHMENT A ARE TO BE DETERMINED BY SUMMING THE CORRESPONDING VALUES FOR THE VARIOUS ENTERGY OPERATING COMPANIES.
3. ALL RATE BASE ITEMS REFLECT 13-MONTH AVERAGE BALANCES FOR THE TEST YEAR. THE COST OF CAPITAL IS TO BE DETERMINED AS OF THE END OF THE TEST YEAR.
4. ALL EXPENSE ITEMS UNLESS OTHERWISE SPECIFIED REFLECT TOTAL TEST YEAR AMOUNTS.
5. IN THE EVENT EITHER THE STATUTORY STATE OR FEDERAL CORPORATE INCOME TAX RATES CHANGE AFTER THE ANNUAL NTSRR REDETERMINATION IS SUBMITTED IN ANY YEAR, THEN THE RATES SHALL BE REDETERMINED ON AN INTERIM BASIS TO REFLECT SUCH TAX RATE CHANGE. ALL OTHER PARAMETERS SHALL REMAIN UNCHANGED. THE REDETERMINED NTSRR SHALL BECOME EFFECTIVE COMMENCING WITH THE BILLING MONTH IN WHICH THE TAX RATE(S) CHANGE. ANY SUCH REDETERMINATION SHALL BE SUBMITTED TO THE FERC AND THE CUSTOMER(S) AND SHALL CONSIST OF THE FOLLOWING:
 - (A) TRANSMITTAL LETTER SETTING OUT BASIS FOR THE CHANGE
 - (B) COPY OF DOCUMENTATION SUPPORTING THE CHANGE IN STATUTORY TAX RATE(S)
 - (C) COMPARISON SHOWING EFFECT OF THE CHANGE ON AFFECTED CUSTOMERS
 - (D) REDETERMINATION OF THE NTSRR REFLECTING THE REVISED TAX RATE(S)

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NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

COMMON PARAMETERS

COST OF CAPITAL

CC = BEFORE TAX COST OF CAPITAL

$$CC = \frac{D * DR + PF * PR + CE * CR}{TX}$$

WHERE:

D = EMBEDDED COST RATE OF LONG-TERM DEBT

DR = DEBT CAPITALIZATION RATIO

PF = EMBEDDED COST RATE OF PREFERRED STOCK

PR = PREFERRED STOCK CAPITALIZATION RATIO

CE = 0.1100

CR = COMMON EQUITY CAPITALIZATION RATIO

TX = COMPOSITE CORPORATE AFTER TAX RATE

$$TX = (1 - S)(1 - F)$$

WHERE:

S = AVERAGE EFFECTIVE STATUTORY STATE CORPORATE INCOME TAX RATE FOR THE ENTERGY OPERATING COMPANIES AS WEIGHTED BY NET TRANSMISSION PLANT INVESTMENT IN THOSE OPERATING COMPANIES¹

F = STATUTORY FEDERAL CORPORATE INCOME TAX RATE

¹ THE EFFECTIVE STATE TAX RATE FOR A COMPANY OPERATING IN MORE THAN ONE STATE SHALL BE THE ARITHMETIC AVERAGE OF THE EFFECTIVE TAX RATE FOR THOSE STATES

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

COMMON PARAMETERS (Cont'd)

ACCUMULATED DEFERRED INCOME TAXES

ADIT = ACCUMULATED DEFERRED INCOME TAXES

ADIT = ADTL + ITC

WHERE:

ADTL = THE BALANCES IN ACCOUNTS 190, 281, 282, AND 283 AS REDUCED BY (1) ANY AMOUNTS ASSOCIATED WITH REGULATORY ASSETS OR LIABILITIES CREATED BY THE ACTION OF A RETAIL REGULATOR AND (2) OTHER AMOUNTS NOT GENERALLY AND PROPERLY INCLUDABLE FOR COST OF SERVICE PURPOSES

ITC = ACCUMULATED DEFERRED INVESTMENT TAX CREDIT – 3% PORTION ONLY

PLANT RATIO

TPR = TRANSMISSION PLANT RATIO

TPR = $\frac{TPLT}{PPLT + TPLT + DPLT + GPLT}$

WHERE:

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE—EXCLUDING COAL MINING EQUIPMENT

LABOR RATIO

TLR = TRANSMISSION LABOR RATIO

TLR = $\frac{TL}{PXAG}$

WHERE:

TL = TRANSMISSION PAYROLL CHARGED TO O&M EXPENSE

PXAG = PAYROLL CHARGED TO O&M EXPENSE, EXCEPT ADMINISTRATIVE AND GENERAL O&M EXPENSE

[

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

COMMON PARAMETERS (Cont'd)

A&G EXPENSE

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

AG = AGXP - EEI - EPRI - RRE

WHERE:

AGXP = TOTAL ADMINISTRATIVE AND GENERAL O&M EXPENSE

EEI = EDISON ELECTRIC INSTITUTE EXPENSES

EPRI = ELECTRIC POWER RESEARCH INSTITUTE EXPENSES

RRE = RETAIL REGULATORY EXPENSES

OTHER TAX RATE

OTR = OTHER TAX RATE

OTR = $\frac{TXO - PYTX - RTX}{PPLT + TPLT + DPLT + GPLT}$

WHERE:

TXO = TAXES OTHER THAN INCOME TAXES (ACCOUNT 408.1)

PYTX = PAYROLL RELATED TAX EXPENSE

RTX = RETAIL RELATED TAXES²

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE—EXCLUDING COAL MINING EQUIPMENT

² INCLUDES, BUT NOT LIMITED TO, GROSS RECEIPTS TAX, FRANCHISE TAXES, REGULATORY ASSESSMENT TAXES/FEEs, USE TAXES, OCCUPATION TAXES AND ALL OTHER SIMILAR TAXES LEVIED ON THE BASIS OF RETAIL CUSTOMERS, RETAIL MWH SALES, OR RETAIL REVENUES.

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT

NTSRR = NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT

NTSRR = $TRB * CC + (NTPLT / TPLT) * (-TREV - FREV + TXP - TPR * ITCWO / TX)$

WHERE:

TRB = TRANSMISSION SYSTEM RATE BASE

TRB = $NTPLT - NTDR + (NTPLT/TPLT * [TLR * (GPLT - GDR) + TPR * (MS + PPT - ADIT)]) + URA$

WHERE:

NTPLT = TRANSMISSION PLANT IN SERVICE BALANCE FOR FACILITIES INCLUDED IN THE NETWORK TRANSMISSION SYSTEM, AS DEFINED IN PARAGRAPH 3.b OF APPENDIX 1 ("NETWORK TRANSMISSION PLANT")

NTDR = NETWORK TRANSMISSION PLANT ACCUMULATED DEPRECIATION³

TPLT = TRANSMISSION PLANT IN SERVICE⁴

TLR = TRANSMISSION LABOR RATIO

GPLT = GENERAL PLANT IN SERVICE - EXCLUDING COAL MINING EQUIPMENT

GDR = GENERAL PLANT ACCUMULATED DEPRECIATION - EXCLUDING COAL MINING EQUIPMENT

TPR = TRANSMISSION PLANT RATIO

MS = MATERIALS AND SUPPLIES

PPT = PREPAID TAXES AND INSURANCE

ADIT = ACCUMULATED DEFERRED INCOME TAXES

URA = UNAMORTIZED REGULATORY ASSET⁵

CC = BEFORE TAX COST OF CAPITAL

³ Transmission depreciation shall be adjusted by Table C amounts for reductions of the 13-Month Average Depreciation Expense for AFUDC previously capitalized and funded with transmission customer prepayments.

⁴ Transmission plant shall be adjusted for the unamortized balance of transmission customer prepayments in the "B" sub-account of FERC Account 253, but limited to prepayments received for construction (*i.e.*, excluding tax gross-ups and accrued interest) and adjusted for AFUDC previously capitalized funded by transmission customer prepayments.

⁵ This variable contains a value(s) that results from an FERC order(s) that requires deferral and amortization over a future period such as Table A - Unamortized Rate Base Asset for Accrued Interest for transmission customer prepayments.

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT (Cont'd)

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

FREV = FACILITIES REVENUE ASSOCIATED WITH TRANSMISSION FACILITIES WHICH ARE DIRECTLY ASSIGNED TO CUSTOMERS AND FOR WHICH COSTS ARE NOT RECOVERED THROUGH A CONTRIBUTION-IN-AID[~~PLUS FOR TEST YEARS 2003 AND 2004 ONLY, REVENUES COLLECTED PURSUANT TO THE LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE AGREEMENT BETWEEN ENTERGY SERVICES, INC.[AND THE CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS AS IT EXISTED ON NOVEMBER 15, 2002.]~~

TXP = TOTAL TRANSMISSION EXPENSE

TXP = TOM - TEQ + TLR * AG + TDx + TLR * GDx + OTR * TPLT + TLR * PYTX + RA

WHERE:

TOM = TRANSMISSION O&M EXPENSE⁶

TEQ = TRANSMISSION EQUALIZATION EXPENSE INCURRED UNDER SCHEDULE MSS-2 OF THE ENTERGY SYSTEM AGREEMENT

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

TDx = TRANSMISSION DEPRECIATION EXPENSE⁷

GDx = GENERAL PLANT DEPRECIATION EXPENSE

OTR = OTHER TAX RATE

PYTX = PAYROLL RELATED TAX EXPENSE

RA = REGULATORY ASSET RELATED EXPENSE⁸

⁶ [~~VARIABLE "TOM" SHALL BE ADJUSTED FOR THE 1993, 1994 AND 1995 TEST YEARS TO INCLUDE 85% OF THE ENTERGY SYSTEM OPERATIONS CENTER CHARGES UNDER SCHEDULE MSS-6 OF THE ENTERGY SYSTEM OPERATING AGREEMENT.]~~ AMOUNTS IN FERC ACCOUNT 565 SHALL BE INCLUDED ONLY TO THE EXTENT SUCH AMOUNTS REPRESENT PAYMENTS FOR THE USE OF TRANSMISSION FACILITIES OF OTHERS THAT SUPPORT ENTERGY'S TRANSMISSION SYSTEM.

THE VARIABLE "TOM" SHALL BE ADJUSTED TO EXCLUDE THE INDEPENDENT COORDINATOR OF TRANSMISSION COSTS WHICH SHALL BE RECOVERED VIA SCHEDULE 10.

⁷ TRANSMISSION EXPENSE SHALL BE ADJUSTED BY THE TABLE C AMOUNTS ~~REDUCTIONS FOR~~ ACCUMULATED DEPRECIATION EXPENSE FOR AFUDC PREVIOUSLY CAPITALIZED AND FUNDED BY TRANSMISSION CUSTOMER PREPAYMENTS.

ITCWO = INVESTMENT TAX CREDIT WRITE-OFF

TX = COMPOSITE CORPORATE AFTER TAX RATE

~~[4) THE VARIABLE "TOM" SHALL BE ADJUSTED TO EXCLUDE THE INDEPENDENT COORDINATOR OF TRANSMISSION COSTS WHICH SHALL BE RECOVERED VIA SCHEDULE 10.]~~

⁸ THIS VARIABLE CONTAINS A VALUE(S) THAT RESULTS FROM AN ORDER(S) THAT REQUIRES DEFERRAL AND AMORTIZATION OVER A FUTURE PERIOD SUCH AS TABLE B AMORTIZATION OF INTEREST EXPENSE FOR TRANSMISSION CUSTOMER PREPAYMENTS ACCRUED AND PAID INTEREST.

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Vice President, Transmission

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ATTACHMENT I

**INDEX OF POINT-TO-POINT AND NETWORK INTEGRATION TRANSMISSION
SERVICE CUSTOMERS**

The Transmission Provider complies with its obligation to identify its various Point-to-Point Transmission Service customers and Network Integration Transmission Service customers through its submission of Electronic Quarterly Reports pursuant to FERC Order No. 2001.

ATTACHMENT J

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL'S
TRANSMISSION LOADING RELIEF PROCEDURES

The North American Electric Reliability Council's ("NERC") Transmission Loading Relief ("TLR") Procedures originally filed March 18, 1998, and any amendments thereto, including the most recent Version 3 Reliability Standards accepted in Docket No. ER06-1545-002, on March 6, 2007, on file and accepted by FERC, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's TLR Procedures.

ATTACHMENT K

Transmission Planning Process

[Currently Being Developed]

ATTACHMENT L

Creditworthiness Procedures

A. Creditworthiness Evaluation for Unrated Transmission Customers

1. Purpose. Part A of this Attachment L describes the creditworthiness evaluation that will apply under Section 11.2(vi) of the Tariff when Transmission Customers do not have Long-Term Issuer Credit Ratings issued by either Standard & Poor's ("S&P") or Moody's Investor Services, Inc. ("Moody's").

2. Evaluation Process

- Transmission Customers that do not have S&P or Moody's Long-Term Issuer Credit Ratings can establish creditworthiness if they: (1) have been in business at least one year; and (2) provide audited financial statements that demonstrate that they meet the standards that are at least equivalent to the standards underlying a S&P Long-term Issuer Credit Rating of BBB- (or better) or Moody's Long-term Issuer Credit Rating of Baa3 (or better).
 - Such financial statements should include the Transmission Customer's business start date, present ownership, line of business, as well as overall credit ratings, financial stress or credit score assigned by public sources.
 - A Transmission Customer must also provide *sworn* financial information sufficient to allow the Transmission Provider to evaluate, among other things, the customer's liquidity, profitability, leverage, and cash flow measures from year-to-year and for comparison to other companies in the same industry.
- In conducting its credit review, the Transmission Provider may consider a Transmission Customer's reported trade experiences, including the average high and highest trade reference, compared to the industry average. The Transmission Provider may also review the public record for reported suits, liens, judgments and UCC filings, and in order to determine if the Transmission Customer is operating under any chapter of the bankruptcy laws and/or is subject to liquidation or debt reduction procedures under state laws.
- If the Transmission Customer is found not to be creditworthy pursuant to Section 11.2(vi) of the Tariff, the Transmission Provider will provide the Transmission Customer a written explanation of such determination.

B. Prepayment of Service

1. Purpose. Part B of this Attachment L describes the implementation of the prepayment provisions for new and existing Transmission Customers under Section 11.3 of the Tariff.

2. General Requirements

- A Transmission Customer wishing to prepay for Transmission Service must provide at least 30 days notice of its election of prepayment status. The election must be made on a calendar month basis. Upon election of prepayment status, the Transmission Customer must immediately provide to Transmission Provider a phone number, a fax number, a primary contact name, and an email address in order to facilitate the necessary rapid exchange of invoice data and remittance of funds. Any outstanding Transmission Service charges, including charges for the current month's service, will be invoiced at the end of the current month pursuant to the normal transmission service customer billing cycle. These charges must be paid by the due date, which will be the earlier of the normally calculated due date or five (5) Business Days prior to the beginning of the next month.
- This prepayment process assumes a valid OASIS request is one that has been approved by the ICT and confirmed by the prepaying Transmission Customer.
- By virtue of the inherent nature of Daily Non-firm and Hourly Non-firm service, the Transmission Provider is unable to accommodate these types of service under the FERC approved prepayment provisions.

3. Invoices and Payments

- On each Business Day, the Transmission Provider will identify all confirmed reservations from prepaying Transmission Customers through the end of the prior calendar day, generate invoices, and transmit the invoices to the prepaying Transmission Customer by fax and/or email. A separate invoice will be generated for each confirmed OASIS reservation. A Business Day is defined as one which is recognized by the Federal Reserve Bank as an operational day and excludes weekends and holidays as defined by the Federal Reserve Bank.
- For reservations of one month or less, the invoice due date for prepaid Transmission Service will be two (2) business days following the date of the invoice and no later than five (5) business days prior to the start of service for that reservation (i.e., the earlier of two (2) business days following the date of the invoice or five (5) business days prior to the start of service for that reservation).

- For reservations of more than one month, the invoice due date for the initial month of prepaid Transmission Service will be two (2) business days following the date of the invoice and no later than five (5) business days prior to the start of service for that reservation (i.e., the earlier of two (2) business days following the date of the invoice or five (5) business days prior to the start of service for that reservation). For subsequent months, the invoice due date will be five (5) business days prior to the beginning of each month.
- Table 1 shows a sample timeline of invoice dates and invoice due dates for service.
- If the prepayment is not received by the invoice due date, the reservation will be annulled. In order to assure accurate and timely recognition of payments by the Transmission Provider, the invoice number must be referenced on the payment.
- Payments made after the reservation has been annulled will be refunded. No interest will be included with refunds of payments made after the due date.
- Prepayment invoices will reflect an estimated charge for Ancillary Services Schedules 1 and 2. Variance between the estimated and actual charges (including any applicable price cap credits, TLR credits, penalties, and interest) will be reconciled at the end of the month during the non-prepayment Point-to-Point Transmission Service customer billing cycle.
- Interest on prepayments will be calculated based on 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment is received until the earlier of the end date of the reservation or the end of the month. Interest due to the prepaying Transmission Customer will be calculated at the end of the month during the non-prepayment Point-to-Point Transmission Service customer billing cycle.

Table 1

Following is a time line showing the invoice date (Inv Dt) and invoice due dates (Inv Due Dt) for reservations confirmed on each day from May 17th, 2004 through May 23rd, 2004 all with a start-of-service (SOS) date of June 1, 2004

	<u>17-May</u>	<u>18-May</u>	<u>19-May</u>	<u>20-May</u>	<u>21-May</u>	<u>22-May</u>	<u>23-May</u>	<u>24-May</u>	<u>25-May</u>	<u>26-May</u>	<u>27-May</u>	<u>28-May</u>	<u>29-May</u>	<u>30-May</u>	<u>31-May</u>	<u>01-Jun</u>
	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thur</u>	<u>Fri</u>	<u>Sat</u>	<u>Sun</u>	<u>Mon¹</u>	<u>Tue</u>	<u>Wed</u>	<u>Thur</u>	<u>Fri</u>	<u>Sat</u>	<u>Sun</u>	<u>Mon</u>	<u>Tue</u>
	<u>BD</u>	<u>BD</u>	<u>BD</u>	<u>BD</u>	<u>BD</u>	<u>NBD</u>	<u>NBD</u>	<u>BD</u>	<u>BD</u>	<u>BD</u>	<u>BD</u>	<u>BD</u>	<u>NBD</u>	<u>NBD</u>	<u>Holiday</u>	<u>BD</u>
<u>Ex 1</u>	<u>Confirm</u>	<u>Inv Dt</u>		<u>Inv Due Dt</u>												<u>SOS</u>
<u>Ex 2</u>		<u>Confirm</u>	<u>Inv Dt</u>		<u>Inv Due Dt</u>											<u>SOS</u>
<u>Ex 3</u>			<u>Confirm</u>	<u>Inv Dt</u>				<u>Inv Due Dt</u>								<u>SOS</u>
<u>Ex 4</u>				<u>Confirm</u>	<u>Inv Dt</u>			<u>Inv Due Dt</u>								<u>SOS</u>
<u>Ex 5</u>					<u>Confirm</u>			<u>Inv Dt & Due Dt</u>								<u>SOS</u>
<u>Ex 6</u>						<u>Confirm</u>		<u>Inv Dt & Due Dt</u>								<u>SOS</u>
<u>Ex 7</u>							<u>Confirm</u>	<u>Inv Dt & Due Dt</u>								<u>SOS</u>

Legend: BD = Bus Day, NBD = Non Bus Day, SOS = Start of Service

¹ Note that Monday, May 24, 2004 is the fifth Business Day prior to SOS for OASIS reservations with SOS = June 1, 2004. Note also in this example, Sunday, May 23, 2004 is the final calendar day on which the PPTC may confirm an OASIS request with SOS = June 1, 2004.

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C. Suspension of Service

1. Purpose: In accordance with Section 11.4 of the Tariff, the Transmission Provider may suspend Transmission Service if the Transmission Customer fails to provide the financial assurance required under Section 11.3.3 or 11.3.4. Part C to this Attachment L describes the process that will apply if the Transmission Provider suspends a Transmission Customer's Transmission Service.
2. The Transmission Customer will be notified of its obligation to provide financial assurance and the required deadline to provide this financial assurance in accordance with Section 11.3.5 of the Tariff. If the Transmission Customer fails to meet these noticed deadlines, the Transmission Provider will notify the ICT and will implement any such suspension of Transmission Service.
3. Suspension of service means all confirmed reservations will be recalled. All new reservations submitted by a suspended Transmission Customer will be rejected until its financial assurance requirements are satisfied.
4. The Transmission Provider will manage suspension of Transmission Service on a weekly basis to allow the suspended capacity to be returned to the market. This means that if service is suspended on or after Monday of the week, the reservation will not be restored until the next Monday following the time the Transmission Customer's financial assurance requirements are satisfied.
 - Reservations for one week or less will be recalled upon suspension of Transmission Service and returned to the market
 - Reservations of more than one week will be recalled for the balance of the current week and on a weekly basis thereafter until the Transmission Customer provides the required financial assurance.
5. The Transmission Provider will not restore the capacity to the Transmission Customer within the week of suspension. The Transmission Customer must make a new OASIS request after providing the required financial assurance if service is desired during the week of suspension. The ICT will approve the new request only if capacity is available.
6. The Transmission Customer will not be billed for Transmission Service that has been suspended for failure to provide the required financial assurance.

Points other than those originally specified in the OASIS reservation, if either of the following applies:

6.03.01 For original sources or sinks on the Entergy Transmission System, the new source or sink is located in a different control area than the original source or sink OR is connected to the Entergy Transmission System at a different transmission substation than the original source or sink.

6.03.02 For original sources or sinks off the Entergy Transmission System, the new source or sink is located in a different control area than the original source or sink AND Entergy would have evaluated different Receipt or Delivery Points in deciding whether to grant the original service request.

7. **NERC Tags as Schedules:** In order to minimize scheduling work for all entities, Entergy will accept NERC Tags as transmission schedules, provided that the information described above is supplied on the NERC Tags.

ATTACHMENT P

GENERATOR IMBALANCE AGREEMENT

BETWEEN

ENTERGY SERVICES, INC.

AS AGENT FOR

Entergy _____, Inc.

AND

ARTICLE ONE
PROVISIONS OF GENERATOR IMBALANCE SERVICE AND GENERATOR
REGULATION SERVICE

- I. **DEFINITIONS** – With regard to any definitions that are different in other agreements, for purposes of this Agreement, the following definitions control:
- A. AGC - Automatic Generation Control. Automatically adjusting the output of generation on a real-time basis via a signal simultaneously sent to the Facility and the SOC from EMO or another Network Customer.
 - B. Avoided Cost - Avoided Cost shall be defined as incremental cost to Entergy of electric energy which, but for the imbalance, Entergy would generate itself or purchase from another source as defined by the applicable state jurisdictions.
 - C. Balancing Pool - An agreement among participating Delivering Parties and the Entergy Services, Inc. to self supply, or obtain third-party supply of, imbalances subject to the terms and conditions agreed to in Federal Energy Regulatory Commission Docket No. ER01-2201.
 - D. Commercial Schedule - That list of hourly scheduled quantities of energy submitted to the SOC in accordance with the scheduling procedures pursuant to Entergy's OATT, as adjusted from time to time. Any energy delivered to Entergy pursuant to Entergy's purchase obligation under PURPA is not included. A Schedule submitted by a Delivering Party to deliver energy during approved Testing Periods, approved Start-Up Periods and approved Shut-Down Periods is not included.
 - E. Conditional Schedule Adjustment - The adjustment, following a Notice Event, of all Schedules from a Facility on a *pro rata* basis when Entergy chooses to no longer provide the capacity and energy to supplement the Output of the Facility.
 - F. Daily Market Price - 100% of the On-Peak "Into Entergy" price posted in *Megawatt Daily*.
 - G. Deficient Energy - Energy, measured in megawatt hours, that a Delivering Party failed to deliver during a clock hour based upon the actual Schedules from a Facility. It is measured as the difference between the actual energy scheduled from a Facility during a clock hour and the Output of the Facility for the clock hour. During a Ramping Schedule Period, the Schedule will be calculated as a linear change from the old value to the new value over the ramp duration specified on the tag.

- L. Excess Energy - Energy, measured in megawatt hours, produced by the Facility in excess of the actual Schedules during a clock hour from the Facility and in excess of any unscheduled energy used to serve any network or host industrial load. During a Ramping Schedule Period, the Schedule will be calculated as a linear change from the old value to the new value over the ramp duration specified on the tag.
- M. Facility - One or more generating units owned, operated or controlled by the Delivering Party that are located at the same point of interconnection within the Entergy control area as specified in the Interconnection and Operating Agreement and that send a common Output signal to the SOC.
- N. Generator Imbalance Service (“GIS”) Charge - A charge or payment for energy when the hourly integrated Output from a Facility differs from the Schedules from the Facility.
- O. Generator Regulation Service (“GRS”) Charge - A charge for the generating capacity that the EMO uses to compensate for the moment-to-moment (*i.e.*, within-the-hour) changes between a Delivering Party’s Output and Schedules.
- P. Immediate Schedule Adjustment - The adjustment, immediately following a Notice Event, of Schedules from a Facility pursuant to a Standing Schedule Adjustment Order, or in the absence of such an order, on a *pro rata* basis among all Schedules for the Facility, to match the current Output of the Facility.
- Q. Intermittent Resource - An electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.**
- R. Low-Load Event - Any period during which the EMO may be required to take an Entergy unit off-line due to low-load conditions based on criteria such as load profiles and generating schedules, to maintain minimum stable operating levels based on prudent utility practice. The SOC shall provide notice as soon as possible, but in no event less than two hours prior to the occurrence of a Low-Load Event via e-mail to all Delivering Parties that have provided the SOC with a current e-mail address. The SOC shall also provide notice of a Low-Load Event by broadcast fax, but for purposes of the two hour prior notice period, the email notification controls. If the SOC fails to provide two hour prior notification of a Low-Load Event, no penalties shall apply.
- S. Meter Notification - The notification of a Notice Event to the SOC by metering to the SOC. The metering to the SOC shall be deemed to be a notification from the Delivering Party that the Output of the Facility is not delivering sufficient energy to meet the Schedules currently in place.

Classes A, B, and C. Performance Class Definitions are a function of the Percentage Component and the Unit Trip Component as follows:

	Performance Class A	Performance Class B	Performance Class C
Percentage Component	$\geq 90\%$	$< 90\% \geq 70\%$	$< 70\%$
Unit Trip Component	No more than 2	No more than 4	5 or more

3. Percentage Component - The Percentage Component is a measure of the Delivering Party's ability to match its Output to its Schedules during the calendar month by evaluating the Delivering Party's performance through "instantaneous snapshots" (Snapshots) at ten-minute intervals during the calendar month. For each Snapshot, the Delivering Party's instantaneous Output and Schedule will be recorded, and the difference will be computed (all in MW). The Percentage Component will be computed as the quotient of Tier 1 Snapshots and Applicable Snapshots expressed as a percentage. A Snapshot shall be a Tier 1 Snapshot whenever the difference between the Delivering Party's Output and Schedule falls within the bounds described under Tier 1. The Applicable Snapshots will equal the total number of Snapshots that had either scheduled power or positive generation above 10 MW, less any Snapshots exempted by unit trips below, as discussed below. Testing Periods without a simultaneous Commercial Schedule are not included in the Tier 1 Snapshots or the Applicable Snapshots.

The "instantaneous snapshots" initially will occur every hour at the top of the hour and every ten minutes thereafter (*i.e.*, :00, :10, :20, :30, :40, :50). During each calendar year, and upon ninety days prior written notice, the SOC can make a one time change of the timing of the "instantaneous snapshots" not originally adopted.

4. Unit Trip Component - A Delivering Party has the right, but not the obligation, to declare a unit trip and the associated time of occurrence, and the declaration of a unit trip will exempt the subsequent three consecutive Snapshots associated with the unit trip from the Percentage Component of the Performance Class calculation (*i.e.*, the Snapshots will be excluded from both the Tier 1 Snapshot count and the Applicable Snapshot count). A Delivering Party may declare up to 2 unit trips in a month and still be eligible for Performance Class A pricing. In the event a Delivering Party declares either 3 or 4 unit trips in a month, that Delivering Party is automatically ineligible to receive Performance Class A pricing, regardless of its Percentage Component performance during the month.

Up to and including 4 declared unit trips in a month will allow a Delivering Party to be eligible for Performance Class B during that month, subject to the Percentage Component performance of the Delivering Party meeting the Performance Class B standard. In the event a Delivering Party declares 5 or more unit trips in a month, that Delivering Party will pay Performance Class C pricing for all GRS charges incurred in that month, regardless of its Percentage Component performance in the month. The number of declared unit trips is counted on a calendar month basis with no rollover rights. To declare a unit trip, a Delivering Party must notify the SOC in writing no later than one business day after the end of the calendar month in which the trip occurred and provide the time of the unit trip with supporting documentation that the unit trip occurred. A Delivering Party will still be responsible for paying any GRS charges associated with a unit trip.

5. Calculation of GRS Charge - The GRS charge will be assessed daily based on the maximum quantity of GRS used during the calendar day. For each day, the largest absolute value (*i.e.*, the largest difference between a Delivering Party's Schedules and Output) of the greatest positive imbalance (for non-Qualifying Facilities) or negative imbalance (for Qualifying Facilities and non-Qualifying Facilities) as measured at the ten-minute Snapshots will be determined. The maximum quantity of GRS will be used in conjunction with the tiered rate table above to calculate the daily charge. If the maximum amount of GRS falls entirely within the Tier 1 bounds, then only the Tier 1 rates will apply. To the extent the GRS amount used exceeds the Tier 1 bounds, then any excess will be charged under the Tier 2 rates, up to the limit of the Tier 3 bounds. To the extent the GRS amount used exceeds the Tier 2 bounds, the amount above the Tier 2 bounds will be charged at either the Tier 3 or Tier 4 rates, depending on the magnitude of the GRS amount. The Tier 4 rates will apply only to the GRS amount used that exceeds the Tier 3 bounds. To the extent the GRS amount used equals the amount on the boundary of two tiers (*e.g.*, the upper bound for Tier 1 and the lower bound Tier 2), the rates in the lower tier will be used for that amount of GRS. Delivery Parties that are Intermittent Resources are exempt from Tier 4 rates. If the GRS amount used by an Intermittent Resource falls within the Tier 4 bounds, then Tier 3 rates will apply.

B. QUALIFYING FACILITY DELIVERING PARTIES

1. A GRS charge for Qualifying Facility Delivering Parties will be applicable only when a Qualifying Facility submits Schedules and when the Output of a Facility results in an under delivery in relation to such Schedules. In such instance, the GRS charge will be calculated as described in Section IV.A.5 above. Any over delivery by a Qualifying Facility will be treated as a PURPA put in accordance with Article One, Sections VII.A.1, VII.B.1, VII.C.1, and VIII of this Agreement and shall not be assessed a GRS charge as described in Section IV.A.5 above.

C. INSTRUCTIONS FROM TRANSMISSION PROVIDER OR RELIABILITY COORDINATOR

1. GRS charges shall not apply if such charges would be incurred as a direct result of direction from the Reliability Coordinator or Transmission Provider necessary to respond to a system emergency, for a period, not to exceed thirty minutes. This time period is provided to allow time for the Delivering Party to adjust its Schedules to the Output level directed by the Reliability Coordinator or Transmission Provider.

V. TERMS AND CONDITIONS OF METER NOTIFICATION

A. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT – GENERAL PROVISIONS

1. Delivering Party has requested Immediate Schedule Adjustment
 - a. The Schedule of the Facility that sinks outside the Entergy control area shall be deemed reduced as if such adjustment occurred 15 minutes after the Notice Event. The Schedule of the Facility that sinks inside the Entergy control area shall be deemed reduced as if such adjustment occurred 10 minutes after the Notice Event.
 - b. The Delivering Party shall purchase Deficient Energy at 110% of ESIC.
2. Delivering Party has requested Conditional Schedule Adjustments and has not purchased Supplemental Capacity
 - a. The Delivering Party shall purchase Deficient Energy at 110% of ESIC.

3. Delivering Party has requested Conditional Schedule Adjustments and has purchased Supplemental Capacity
 - a. During any hour in which a Notice Event occurs, the Output of the Facility shall be adjusted to include the number of minutes of energy purchased from the Supplemental Capacity set forth in Section III.A.3 above. The MWh adjustment shall be equal to the quantity of Supplemental Capacity purchased times the number of minutes Supplemental Capacity was provided divided by 60 minutes. The amount of Deficient Energy shall then be recalculated based upon the adjusted Output.
 - b. The Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

B. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT DURING AN HOUR WITH AN EMERGENCY EVENT

1. Delivering Party has requested Immediate Schedule Adjustment

Deficient Energy shall be priced at 100% of ESIC.
2. Delivering Party has requested Conditional Schedule Adjustments and has not purchased Supplemental Capacity

Deficient Energy shall be priced at 100% of ESIC.
3. Delivering Party has requested Conditional Schedule Adjustments and has purchased Supplemental Capacity Deficient Energy shall be priced at 100% of ESIC.

C. UNDER DELIVERIES NOT ASSOCIATED WITH A NOTICE EVENT

1. The Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

D. PENALTIES

Penalties, as provided for in Article One, Sections VI.A.6 and VI.A.7, shall not be applicable to any Delivering Party that elects Meter Notification.

VI. TERMS AND CONDITIONS OF TELEPHONE NOTIFICATION

A. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT- GENERAL PROVISIONS

1. If a Facility experiences a Notice Event, the Delivering Party or its designated agent shall be required to notify the SOC by telephone within 2 minutes of the Notice Event and customers purchasing power and energy directly from the Delivering Party as promptly thereafter as is practicable. This notification shall include a revised Schedule for the remainder of the hour, and in the case of a Notice Event within twenty minutes of the end of the hour, for the subsequent hour as well, unless the SOC is notified otherwise by the Delivering Party, in which case the SOC will make a reasonable attempt to restore the original Schedule of the Delivering Party. During the fifteen minute period following a Notice Event, any further reduction in the Output of the Facility shall not constitute a new Notice Event.
2. The period for Telephone Notification required above shall be measured by the clock used in conjunction with the SCADA equipment supplying the real-time Output of the Facility to the SOC. Such period shall begin at the start of the first clock minute following the Notice Event.
3. Telephone Notification shall be considered given at the time of the start of the telephone call between the Delivering Party and the SOC in which a revised Output is provided. All Schedules that sink outside of the Entergy control area shall be deemed adjusted thirteen minutes after Telephone Notification. All Schedules that sink inside of the Entergy control area shall be deemed adjusted eight minutes after Telephone Notification.
4. Unless the Delivering Party provides other instructions as part of its Telephone Notification, all Schedules from the Facility will be adjusted to reflect the revised Output of the Facility on a *pro rata* basis.
5. During an hour when a Notice Event has occurred, the Delivering Party shall purchase the Deficient Energy at 110% of ESIC.
6. Penalties - In the event the Facility experiences a Notice Event and the Delivering Party does not provide the requisite two minutes notice, or provides notice and does not maintain an Output of 90% of the revised Schedule for the remainder of the hour, the Delivering Party will be

assessed a penalty. Only one occurrence shall be deemed to occur during a clock hour. Therefore, during one clock hour, if two shortfalls occur during that hour, it will be considered as one occurrence for the purpose of determining the number of occurrences per monthly billing period.

- a. FOR THE FIRST EVENT WITHIN A ROLLING THREE-MONTH PERIOD - The penalty rate shall be \$0.25 per kW multiplied by the greatest difference between the Schedule and the Output of the Facility during the clock hour in which the Notice Event occurred.
 - b. FOR THE SECOND AND THIRD EVENTS WITHIN A ROLLING THREE-MONTH PERIOD - The penalty rate shall be \$0.50 per kW multiplied by the greatest difference between the Schedule and the Output of the Facility during the clock hour in which the Notice Event occurred.
 - c. FOR ALL SUBSEQUENT EVENTS WITHIN A ROLLING THREE-MONTH PERIOD - The penalty rate shall be \$2.00 per kW multiplied by the greatest difference between the Schedule and the Output of the Facility during the clock hour in which the Notice Event occurred.
7. In addition to the above referenced penalties, in the event that a Notice Event results in a reportable event to NERC in which Entergy failed to meet the Disturbance Control Standard, as defined by NERC, the Delivering Party shall compensate Entergy for the Delivering Party's share of the additional contingent reserve requirements that Entergy must maintain. The Delivering Party shall pay Entergy the sum of \$7.00/kW-month multiplied by the Delivering Party's share of the additional contingent reserve requirement that Entergy must maintain.
- a. If the additional contingent reserve requirement is less than or equal to the sum of the magnitudes of all third-party Notice Events during the reportable event, the Delivering Party's share of the additional contingent reserve requirement shall be equal to the ratio of the Delivering Party's Notice Event amount divided by the total of third-party Notice Events times the additional contingent reserve requirement.
 - b. If the additional contingent reserve requirement is greater than the sum of the magnitudes of all third-party Notice Events during the reportable event, the Delivering Party's share of the additional

contingent reserve requirement shall be equal to the magnitude of the Delivering Party's Notice Event.

B. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT DURING AN HOUR WITH AN EMERGENCY EVENT

1. Deficient Energy shall be priced at 100% of ESIC.

C. UNDER DELIVERIES NOT ASSOCIATED WITH A NOTICE EVENT

1. The Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

VII. OVER DELIVERIES PURSUANT TO METER AND TELEPHONE NOTIFICATION

A. OVER DELIVERIES – GENERAL PROVISIONS

1. Qualifying Facilities - Any Facility that is a Qualifying Facility under PURPA shall receive Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations, or contract to purchase such energy at its Avoided Cost. Currently, the Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 292
2. Non-Qualifying Facility Delivering Parties
 - a. Entergy shall purchase Excess Energy up to or equal to 120% of the Schedule at 90% of Entergy's Avoided Cost.
 - b. Entergy shall purchase Excess Energy delivered above 120% of the Schedule and up to or equal to 150% of the Schedule at 75% of Avoided Cost.
 - c. Entergy shall purchase Excess Energy delivered above 150% of Schedules at 50% of Avoided Cost.

3. Intermittent Resource Delivering Parties

- a. Entergy shall purchase Excess Energy up to or equal to 120% of the Schedule at 90% of Entergy's Avoided Cost.**

b. Entergy shall purchase Excess Energy delivered above 120% of the Schedule at 75% of Avoided Cost.

B. OVER DELIVERIES DURING AN HOUR WITH AN EMERGENCY EVENT

1. Qualifying Facilities - Any Facility that is a Qualifying Facility under PURPA shall receive Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations, or contract to purchase such energy at its Avoided Cost. Currently, Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 292.
2. Non-Qualifying Facility Delivering Parties - Entergy shall purchase all Excess Energy at the rate of 100% of Entergy's Avoided Cost.

C. OVER DELIVERIES DURING A LOW-LOAD EVENT

1. Qualifying Facilities - Any Facility that is a Qualifying Facility under PURPA shall receive Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations or contract to purchase such energy at its Avoided Cost. Currently, Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 29.
2. Non-Qualifying Facility Delivering Parties - In the event that Entergy is experiencing a Low-Load Event, then any Excess Energy delivered in the clock hour beginning two hours after the notice of the Low-Load Event in excess of 2% of the Schedule for the clock hour from the Facility and more than 2 MWh, shall not be purchased and shall be assessed a charge equal to the Daily Market Price of energy on the following day for each MWh of Excess Energy in excess of 2% of the Schedule for the clock hour from the Facility and more than 2 MWh. If the SOC fails to provide two hour prior notification of a Low-Load Event, no penalties shall apply.
3. Notification Procedures
 - a. A Low-Load Alert is issued when the projected generation level is within 500 MW of the normal minimum energy limits. This is a preliminary warning to all generators that an over generation condition is approaching. Entergy will notify all Non-Qualifying

ATTACHMENT T
RECOVERY OF NEW FACILITIES COSTS
AND PLANNING REDISPATCH COSTS FOR
LONG-TERM SERVICES

1. DEFINITIONS AND GENERAL CLASSIFICATION OF TRANSMISSION INVESTMENTS

1.1 Definitions

1.1.1. Base Plan Upgrades and Supplemental Upgrades Transmission upgrades are classified as: (a) Base Plan Upgrades; or (b) Supplemental Upgrades. Base Plan Upgrades are those upgrades included in the ICT's Base Plan. Supplemental Upgrades are all upgrades not included in the ICT's Base Plan.

1.1.2. Exempt Transmission Capacity As defined in Attachment V of the Tariff.

1.1.3. Financial Payment Financial Payment shall mean the dollar amount calculated pursuant to Section 4.3 and paid to a customer that is deemed to have funded a Supplemental Upgrade when a portion of that upgrade is used to subsequently grant service to another customer.

1.2 Base Plan Upgrades Base Plan Upgrades will consist of the following categories of investment:

1.2.1. Investments necessary to maintain long-term firm transmission service commitments under Long Term Firm Point-to-Point Service.

1.2.2. Investments necessary to maintain Network Integration Transmission Service commitments.

1.2.2.1. This includes investments necessary to serve forecasted load growth reliably within the Entergy Transmission System, including new Points of Delivery.

1.2.2.2. However, the Base Plan will assume that designated future Network Resources have already been physically integrated at either the NRIS or NITS level, depending on the designating customer's specification. Upgrades necessary to initially integrate a generator at either the NRIS or NITS level are covered under Supplemental Upgrades below.

1.2.3. Investments necessary to maintain the applicable level of integration of generators that have already been qualified at the NRIS or NITS level.

1.2.4. Investments required to maintain standards of safety and reliability applicable to the Entergy region. This includes investments to change-out, replace or repair

transmission facilities, where such investments are necessary to maintain firm transmission service commitments.

- 1.2.5. Investments required to maintain firm transmission service commitments where the ability to honor such commitments has been degraded due to events that are beyond the control of the Transmission Provider. Such events include, but are not limited to, a change in reliability standards or increased loop flow from neighboring regions.

1.3 Supplemental Upgrades

Supplemental Upgrades will consist of the following categories of investment:

- 1.3.1. Investments necessary to interconnect new generators to the Transmission System at the Energy Resource Interconnection Service (ERIS) level, or to increase or change the operating characteristics of an existing generator.
- 1.3.2. Investments necessary to qualify a generator at the NRIS level, upon the request of the generator or a Network Customer.
- 1.3.3. Investments required to designate a generator as a Network Resource at the NITS level, upon the request of a Network Customer.
- 1.3.4. Investments required to provide new or expanded Firm PTP Transmission Service.
- 1.3.5. Investments designed to reduce congestion within the Transmission System, meaning investments that are intended to reduce the delivered price of power for particular loads.
- 1.3.6. Investments designed to increase transfer capability across, out of or into the Transmission System.
- 1.3.7. Investments designed to serve load on the Transmission System at a higher level of reliability than is required under the standards specified in the Transmission Planning Protocol.

2. COST RECOVERY FOR UPGRADE COSTS

- 2.1. Base Plan Upgrades The cost of Base Plan Upgrades will be recoverable through the Transmission Provider's transmission rates, including PTP and NITS rates under the Tariff, bundled retail rates, and rates charged to grandfathered customers.

2.2. Supplemental Upgrades

2.2.1 Supplemental Upgrades for PTP Transmission Service The costs of Supplemental Upgrades that are required to grant PTP Transmission Service will be recoverable under FERC's "higher of" pricing policy. The Transmission Customer requesting the service will be charged the higher of: (i) the applicable PTP rate recoverable over the requested term of service, factoring the cost of the upgrade into the rate; or (ii) the incremental cost of the upgrade plus any financial compensation payments due to other Transmission Customers under the provisions described in Section 4.3 below. In the event that the Transmission Customer requesting the service is charged the applicable PTP rate, the Transmission Customer will not be deemed to have individually funded a Supplemental Upgrade and will not be entitled to compensation under Section 4.3 below. The cost of Supplemental Upgrades for which the customer is charged the applicable PTP rate shall be recoverable through the Transmission Provider's transmission rates, including PTP and NITS rates under the Tariff, bundled retail rates, and rates charged to grandfathered customers.

2.2.2. Supplemental Upgrades for Interconnection Service The cost of Supplemental Upgrades required to accommodate requests for ERIS or NRIS will be recovered from the Interconnection Customer. The Interconnection Customer will be charged the cost of the upgrade plus any financial compensation payments due to other customers under the provisions described in Section 4.3 below.

2.2.3. Supplemental Upgrades for NITS The cost of Supplemental Upgrades required to accommodate Network Customer service requests, including designation of new NITS Network Resources will be recovered from the requesting Network Customer. The Network Customer will be charged the cost of the upgrade plus any financial compensation payments due to other customers under the provisions described in Section 4.3 below.

2.2.4. Other Supplemental Upgrades The cost of all other Supplemental Upgrades will be recovered from the requesting customer. The requesting customer will be charged the cost of the upgrade plus any financial compensation payments due to other customers under the provisions described in Section 4.3 below.

2.3 O&M Expenses For Base Plan and Supplemental Upgrades All operating and maintenance (O&M) expenses associated with Base Plan and Supplemental Upgrades will be included in the Transmission Provider's transmission revenue requirement, including the calculation of its OATT rates and the development of its bundled retail rates and rates under appropriate grandfathered agreements. There will be no direct assignment or incremental rate treatment of these expenses.

- 2.4 Comparability The provisions of this Attachment T will apply to the Transmission Provider and its affiliates, including requests for transmission service on behalf of the Transmission Provider's bundled retail load, and requests for PTP Transmission Service into, out of, or across the Transmission System by the Transmission Provider's affiliates or its wholesale merchant function. Any Supplemental Upgrades that are funded by the Transmission Provider on behalf of its bundled retail load will be eligible for recovery through Entergy's bundled retail rates and will not be recovered through Entergy's Tariff rates. Recovery of the cost of Supplemental Upgrades from grandfathered agreement customers will be governed by the particular provisions of each such agreement.

3.0 PROCESS FOR IDENTIFYING UPGRADES

- 3.1 Identification of Supplemental Upgrades Supplemental Upgrades will be identified through the processes described in: (i) Sections 9 and 11 of the Transmission Planning Protocol; (ii) the PTP and NITS provisions of the Tariff and the Transmission Service Protocol; and (iii) the LGIP and LGIA provisions of Attachments N and O and the Interconnection Service Protocol.
- 3.2 Determination of Base Plan and Supplemental Upgrades The ICT will assess whether a proposed upgrade should be considered a Base Plan Upgrade or Supplemental Upgrade. For purposes of this Section 3.2, the ICT will consider only upgrades in the then-current Base Plan for which construction is to be initiated within the next 3 years.
- 3.2.1. If the ICT determines that a proposed upgrade or set of upgrades is already in the Base Plan or will completely eliminate the need for a Base Plan Upgrade, then the proposed upgrade will not be treated as a Supplemental Upgrade and the cost will be recovered under Section 2.1 above.
- 3.2.2. If the ICT determines that a proposed upgrade will materially decrease the cost of a Base Plan Upgrade, then the amount by which the Base Plan cost is decreased will be recovered under Section 2.1 above, and the remainder of the cost of the proposed upgrades will be recovered as a Supplemental Upgrade under Section 2.2 above.
- 3.2.3. If the ICT determines that a proposed upgrade represents an acceleration of a Base Plan Upgrade, then the cost of accelerating the Base Plan Upgrade will be recovered as a Supplemental Upgrade under Section 2.2 above.
- 3.3 Finality of ICT Determinations; Survival Rights The ICT's determinations on cost allocation of any upgrade will be final once such determination is made and any necessary contractual arrangements are accepted by FERC. If this Attachment is subsequently altered or terminated, any customer that was previously assigned the costs of a Supplemental Upgrade will continue to be responsible for those costs and will continue to receive the rights set forth in Section 4 hereof associated with such upgrade.

4. RIGHTS ASSOCIATED WITH SUPPLEMENTAL UPGRADES

- 4.1 Congestion Protection When a customer uses the capacity created by a Supplemental Upgrade that it funded, the customer shall not be charged congestion for its use of that capacity.
- 4.2 Curtailment Priority A customer who obtains transmission service by funding a Supplemental Upgrade will receive firm service, subject to the same curtailment priority as other firm service under the Tariff. NRIS or ERIS status obtained through Supplemental Upgrades does not provide transmission service. Transmission service from an NRIS resource to a designating Network Customer does not require additional Supplemental Upgrades and is firm service.
- 4.3 Financial Compensation for Long Term Service Sold to Other Customers
- 4.3.1. General Principle A customer funding a Supplemental Upgrade will receive a Financial Payment if (a) additional Long-Term PTP Transmission Service or the designation of a Long-Term Network Resource (*i.e.*, the designation of a Network Resource for a period of at least one year) or NRIS or ERIS status is subsequently granted to another customer using the facility that was created or expanded by the funding customer's Supplemental Upgrade or (b) the ICT determines that such Supplemental Upgrade is necessary to serve forecasted load growth reliably in the next calendar year. The designation of a Network Resource on a short-term basis (*i.e.*, for a period of less than one year) using a prior Supplemental Upgrade will not qualify as a "Long-Term Network Resource" under this Attachment and does not entitle the original funding party to a financial compensation payment.
- 4.3.1.1. The right to compensation is limited to the capacity created by the Supplemental Upgrade, as represented in the base case model of the Transmission System as developed by the ICT pursuant to the Transmission Planning Protocol, less any deductions for Financial Payments already received as specified in Sections 4.3.3.1, 4.3.3.2, and 4.3.3.3.
- 4.3.1.2. A customer that has funded a Supplemental Upgrade in order to qualify a generating resource at the NITS, NRIS or ERIS level will receive an equivalent financial compensation payment if that same customer obtains Long-Term PTP Transmission Service out of the generating resource and that PTP Service uses transmission capacity that was originally funded through the Supplemental Upgrade.
- 4.3.2. Evaluation of Requests for Long Term Service and Load Growth
- 4.3.2.1 All requests for new Long-Term Network Resource designation, NRIS status, or Long Term PTP service will be evaluated by the ICT during the SIS process (or during the deliverability study for NRIS requests) to

determine whether the granting of such service is dependent on any Supplemental Upgrades that were previously funded by another customer. A request will be deemed to be dependent on a prior Supplemental Upgrade if the load flow modeling of the request demonstrates that: (i) the pre-contingent or post-contingent flows associated with the request have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the requested service; and (iii) the increase in flows associated with the request could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in this section only during the period of the acceleration.

- 4.3.2.2. As part of the ICT's development of the Base Plan, the ICT will determine whether any Supplemental Upgrades that were previously funded by a customer are necessary to serve forecasted load growth reliably in the next calendar year. Load growth will be deemed to be dependent on a prior Supplemental Upgrade if the load flow modeling of the load growth demonstrates that: (i) the pre-contingent or post-contingent flows associated with the load growth have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the load growth; and (iii) the increase in flows associated with the load growth could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in this section only during the period of the acceleration.

4.3.3. Granting of Long Term Service Dependent on Prior Supplemental Upgrades

- 4.3.3.1. NRIS or Long-Term Network Resource Status If it is determined that the grant of any Long Term Network Resource designation or NRIS request is dependent on previously funded Supplemental Upgrades, then the requesting customer will be offered such service/status based on the charge further described in Section 4.3.5.2, below, as well as the funding of any additional Supplemental Upgrades that may be required. If the requesting customer confirms the service on the terms offered, then the financial compensation payment will be paid to the party(ies) previously funding the applicable Supplemental Upgrades. Thereafter, the requesting customer will be deemed to have funded the portion of the Supplemental Upgrade for which it made payments, and the original funding customer will no longer be deemed to have funded said portion.

4.3.3.2. Long-Term PTP Service If the grant of new Long-Term PTP Transmission Service is dependent on any previously funded Supplemental Upgrades, then the requesting PTP customer will be offered such service only if the customer agrees to pay the higher of: (i) the applicable PTP rate under the Tariff; or (ii) a rate based on the sum of the cost of the annual applicable financial compensation payments further described in Section 4.3.5.3 below, and the cost of any new Supplemental Upgrades that may be required. If the requesting customer confirms the service, then the customer(s) funding the prior Supplemental Upgrades will be paid an amount based on the applicable financial compensation payments. If the requesting customer and the customer funding the prior Supplemental Upgrade are the same customer, then the customer will pay an amount equal to the charge for the new PTP Transmission Service, minus the amount due to it as a financial compensation payment. The balance of the revenues collected by the Transmission Provider from the requesting PTP customer will be accounted for as follows:

4.3.3.2.1 If the requesting customer is paying the applicable PTP rate under the Tariff, the balance of the PTP revenues from that customer (net of financial compensation paid to the customer who upgraded the facility) will be treated as Long-Term PTP revenues.

4.3.3.2.2. If the requesting customer is paying a rate based on the sum of the applicable financial compensation payments, plus the cost of required new Supplemental Upgrades (if any), then the balance of the PTP revenues from that customer (net of financial compensation paid to the customer who upgraded the facility) shall be retained by the Transmission Provider as compensation for the additional Supplemental Upgrades. Thereafter, the requesting customer will be deemed to have funded the portion of the Supplemental Upgrade for which it made the financial payment, and the original funding customer will no longer be deemed to have funded said portion.

4.3.4 Treatment of Load Growth If it is determined by the ICT that a previously funded Supplemental Upgrade is necessary to serve forecasted load growth reliably in the next calendar year, then the financial compensation payment described in Section 4.3.5.4 will be paid to the party(ies) previously funding the Supplemental Upgrade. Such payments will be considered payments for Base Plan Upgrades, and will be recoverable through the Transmission Provider's transmission rates, including PTP and NITS rates under the Tariff, bundled retail rates, and rates charged to grandfathered customers. Thereafter, the original funding customer will no longer be deemed to have funded the portion of the Supplemental Upgrade for which it received payments under this Section.

4.3.5. Rate For Long Term Service and Load Growth Dependent on Previously Funded Supplemental Upgrades

- 4.3.5.1 Unit Rate For each previously funded Supplemental Upgrade described in Section 4.3.1 above, the \$/MW unit rate for purposes of financial compensation shall be calculated as the funded cost of the Supplemental Upgrade (plus any applicable tax gross-ups) divided by the MW of capacity created by the Supplemental Upgrade on the upgraded element, where such MW of capacity is determined by the ICT. Such unit rate will escalate at the rate of inflation for each of the first five years after the Supplemental Upgrade is placed in service, and not escalate further after the sixth year of service.
- 4.3.5.2 Charge for Service for Long-Term Network Resource or NRIS Any customer whose request for Long-Term Network Resource or NRIS status depends on a previously funded Supplemental Upgrade shall be responsible for a one-time financial compensation payment to the Transmission Provider, which the Transmission Provider will pay to the party funding the prior Supplemental Upgrade, as per section 4.3.3.1 above. The amount owed will be the product of the unit rate for that prior Supplemental Upgrade in the year that the new service request begins, times the MWs of capacity associated with the prior Supplemental Upgrade that were used to grant the new service request (as calculated by the ICT in the load flow study referenced in Section 4.3.2.)
- 4.3.5.3 Charge for Long Term PTP Service Any customer whose request for Long Term PTP service depends on a previously funded Supplemental Upgrade may be responsible for annual financial compensation payment to the Transmission Provider, which the Transmission Provider will pay to the customer funding the prior Supplemental Upgrade, under the “higher of” calculation in Section 2.2.1 above. The rate for such payments will be a levelized annual payment over the term of the requested PTP service, calculated to equal the product of the unit rate for the prior Supplemental Upgrade in the year that the new PTP service request begins, times the MW of capacity in the facility associated with the prior Supplemental Upgrade that was used to grant the new PTP service request (as calculated in the load flow study referenced in Section 4.3.2.)
- 4.3.5.4 Charge Associated with Load Growth When load growth depends on a previously funded Supplemental Upgrade, the Transmission Provider shall be responsible for a one-time financial compensation payment to the party funding the prior Supplemental Upgrade, as per section 4.3.4 above. The amount owed will be the product of the unit rate for that prior Supplemental Upgrade in the year that load growth is expected, times the MWs of capacity associated with the prior Supplemental Upgrade that will be used for the load growth (as calculated by the ICT in the load flow study referenced in Section

4.3.2). The payment due date shall be determined by the ICT, and shall be due during the calendar year of the expected load growth.

4.4 Financial Compensation for Short Term PTP Service Sold to Other Customers

4.4.1. General Principle A customer funding a Supplemental Upgrade will receive a Financial Payment if additional Short-Term PTP Transmission Service is subsequently granted to another customer using the facility that was created or expanded by the funding customer's Supplemental Upgrade. The designation of a Network Resource on a short-term basis (*i.e.*, for a period of less than one year) using a prior Supplemental Upgrade does not entitle the original funding party to a financial compensation payment under this Section 4.4.

4.4.1.1 The right to compensation is limited to the capacity created by the Supplemental Upgrade, as represented in the base case model of the Transmission System developed by the ICT pursuant to the Transmission Planning Protocol and as adjusted in accordance with Section 4.4.1.2.

4.4.1.2 To calculate the capacity of a transmission upgrade for which a funding customer is entitled to financial compensation under this Section 4.4, the capacity of the upgrade determined in accordance with Section 4.4.1.1 shall be reduced in accordance with this Section 4.4.1.2. First, the capacity of the upgrade determined in accordance with Section 4.4.1.1 shall be reduced based on the ratio of (a) the dollar amount of the transmission credits received by the customer associated with the transmission upgrade (excluding any interest included in such credits) to (b) the dollar amount of the costs of the transmission upgrade initially funded by the customer. The amount of transmission capacity then shall be reduced, not below zero, to reflect any Financial Payments already received as specified in Sections 4.3.

4.4.2 Evaluation of Short Term PTP Service Confirmed Through the AFC Process All new Short Term PTP service confirmed through the AFC process will be evaluated by the ICT to determine whether the granting of such service was dependent on any Supplemental Upgrades that were previously funded by another customer. A request will be deemed to be dependent on a prior Supplemental Upgrade if the load flow modeling of the request demonstrates that: (i) the pre-contingent or post-contingent flows associated with the service have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the requested service; and (iii) the increase in flows associated with the request could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade.

- 4.4.3. The evaluation under Section 4.4.2 shall be based on the AFC load flow model and response factors calculated using that model at the time of the service request.
- 4.4.3.1. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in Section 4.4.2 only during the period of the acceleration.
- 4.4.4. Evaluation of Service Confirmed Through the WPP All new Short Term PTP service confirmed through the WPP process will be evaluated by the ICT to determine whether the granting of such service was dependent on any Supplemental Upgrades that were previously funded by another customer. Such service will be deemed to be dependent on a prior Supplemental Upgrade if load flow modeling demonstrates that: (i) the pre-contingent or post-contingent flows associated with the service have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the requested service; and (iii) the increase in flows associated with all new transmission service confirmed through the WPP (Point-to-Point Service and Network Resource designations) for the applicable WPP Operating Week could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade.
- 4.4.4.1. The evaluation under Section 4.4.3 shall be based on the applicable load flow model and response factors after the WPP optimization process is completed and transmission service granted for the applicable WPP Operating Week.
- 4.4.4.2. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in Section 4.4.3 only during the period of the acceleration.
- 4.4.5. Granting of Short Term PTP Service Dependent on Prior Supplemental Upgrades Requests for Short Term PTP Service will be granted or denied in accordance with the AFC process or Attachment V, as applicable.
- 4.4.6. Rate For Short Term PTP Service Dependent on Previously Funded Supplemental Upgrades The rate for Short Term PTP Service dependent on previously funded Supplemental Upgrades will be determined in accordance with Schedule 7, Schedule 8, or Attachment V of the OATT, as applicable.
- 4.4.7. Allocation of Revenues Collected by the Transmission Provider Associated With Short Term PTP Service Confirmed Through the AFC Process and That is Dependent on Previously Funded Supplemental Upgrades
- 4.4.7.1. When the ICT determines in accordance with Section 4.4.2 that a confirmed Short Term PTP service depends on a previously funded Supplemental

Upgrade, the Transmission Provider shall pay to the party funding the prior Supplemental Upgrade an amount equal to (a) the revenues received by the Transmission Provider for the Short Term PTP service times (b) the ratio of (i) the MWs of capacity associated with the prior Supplemental Upgrade that were used, at the expected system peak hour during the term of the service, to grant the new Short Term PTP service (as calculated by the ICT in the load flow study referenced in Section 4.4.2.1 and subject to Section 4.4.1.1) to (ii) the capacity (MWs) of the Short Term PTP service.

- 4.4.7.2. If the total payments calculated under Section 4.4.6.1 associated with a Short Term PTP service exceed the revenues received by the Transmission Provider for that service, the payment to each party shall be reduced *pro rata* by multiplying the payment to the party calculated in accordance with Section 4.4.6.1 for the Short Term PTP service times the ratio of (a) the revenues received by the Transmission Provider for the Short Term PTP service to (b) the total payments calculated under Section 4.4.6.1 associated with the service.
- 4.4.8. Allocation of Revenues Collected by the Transmission Provider Associated With Short Term PTP Service Confirmed Through the WPP and That is Dependent on Previously Funded Supplemental Upgrades

- 4.4.8.1. When the ICT determines in accordance with Section 4.4.3 that a confirmed Short Term PTP service depends on a previously funded Supplemental Upgrade, the Transmission Provider shall pay to the party funding the prior Supplemental Upgrade an amount equal to:

$$A * \frac{B * \frac{C}{D}}{E}, \text{ where}$$

A = the revenues received by the Transmission Provider for the applicable Short Term PTP service, calculated in accordance with Section 4.4.7.2,

B = the MWs of capacity associated with the applicable flowgate that were used, at the expected system peak hour during the term of the service, to grant the new Short Term PTP service (as calculated by the ICT in the load flow study referenced in Section 4.4.3.1),

C = the MWs of capacity associated with the applicable Supplemental Upgrade that were used, at the expected system peak hour during the term of the service, to grant all new transmission service (Point-to-Point Service and Network Resource designations) confirmed through the WPP (as calculated by the ICT using the load flow study referenced in Section 4.4.3.1 and subject to Section 4.4.1.1),

D = the MWs of capacity associated with the applicable flowgate that were used, at the expected system peak hour during the term of the service, to grant all new transmission service (Point-to-Point Service and Network Resource designations) confirmed through the WPP (as calculated by the ICT using the load flow study referenced in Section 4.4.3.1),

E = the capacity (MWs) of the Short Term PTP service.

4.4.8.2. The revenues received by the Transmission Provider for Short Term PTP service granted through the WPP shall, for purposes of this Section 4.4.7, be calculated as follows:

4.4.8.2.1 When under Section 8.3 of Attachment V the charge for the Short Term PTP service is equal to the redispatch costs allocated to the service, the revenues received by the Transmission Provider shall be considered zero.

4.4.8.2.2. When under Section 8.3 of Attachment V the charge for the Short Term PTP service is equal to the charge for daily or weekly firm PTP service pursuant to Section 25.1 of the Tariff, the revenues received by the Transmission Provider shall be considered equal to the difference between (a) the charge for daily or weekly firm PTP service, as applicable, pursuant to Section 25.1 of the Tariff and (b) the redispatch costs allocated to the service in accordance with Attachment V.

4.4.8.3. If the total payments calculated under Section 4.4.7.1 associated with a Short Term PTP service exceed the revenues received by the Transmission Provider for that service as calculated under Section 4.4.7.2, the payment to each party shall be reduced *pro rata* by multiplying the payment to the party calculated in accordance with Section 4.4.7.1 for the Short Term PTP service times the ratio of (a) the revenues received by the Transmission Provider for the Short Term PTP service as calculated under Section 4.4.7.2 to (b) the total payments calculated under Section 4.4.7.1 associated with the service.

4.5 Preservation of Rights if the ICT Ceases to Function In the event the ICT ceases to function, a customer that funds a Supplemental Upgrade shall maintain the same (a) protections against congestion, (b) curtailment priorities, and (c) rights to financial payments, as those provided in this Section 4. To preserve such rights, Entergy shall:

4.5.1. take all steps reasonably necessary to implement, within six months of the date that the ICT Agreement terminates, a replacement entity to apply congestion hedges and financial rights;

- 4.5.2. pursuant to the terms of the ICT Agreement, request that the ICT continue to apply congestion hedges and financial rights until a replacement entity is implemented; and
- 4.5.3 in the event a replacement entity is not put into effect before the Transition Assistance Period under the ICT Agreement ends, negotiate in good faith for the ICT to continue to apply congestion hedges and financial rights under substantially the same terms and conditions as those provided under the ICT Agreement and until such time as a replacement entity is installed.

5. TREATMENT OF PREVIOUSLY INCURRED INTERCONNECTION COSTS

- 5.1 General Approach The ICT will conduct a one-time analysis of prior interconnection costs on the Transmission System, for purposes of determining the correct cost allocation for such investments. This analysis will be conducted after the ICT completes its first summer Base Case Model for the Transmission System as described in the Transmission Planning Protocol. The analysis will cover all interconnection-related facilities constructed by Entergy over the period from January 1, 1997 through the effective date of this Attachment, excluding facilities the cost of which has already been fully credited back to the interconnecting generator. The ICT will conduct an independent review of each such facility and make an independent determination of whether the upgrade is properly classified as a Base Plan or Supplemental Upgrade, using the procedure outlined in this section. The ICT's findings will be used to determine the prospective cost allocation of such investments.
- 5.2 Classification of Interconnection Facilities Interconnection-related facilities fall into one of three categories: (i) direct interconnection facilities, which are facilities necessary to interconnect the generator to the grid and as further specified in Section 5.2.1; (ii) required upgrade facilities, which are facilities required to maintain system reliability while accommodating the interconnection of the generator; and (iii) optional upgrade facilities, which are facilities that the generator elected to fund to alleviate congestion and thereby increase its output. The ICT shall determine the classification of a particular facility as direct interconnection, required upgrade or optional upgrade. Where an interconnection customer funded multiple upgrades, for purposes of determining whether a facility has been fully credited, credits received will be attributed first to optional upgrades, then to required upgrades, then to direct interconnection facilities.
 - 5.2.1. Direct Interconnection Facilities
 - 5.2.1.1 For direct interconnection facilities, the ICT will determine, based on the current transmission system configuration, whether the interconnection facility is: (a) a green-field facility, meaning a substation, line or other facility that connects the generator to the Entergy transmission system, was constructed at the time of the generator interconnection, and does not connect to any distribution circuits or load-serving facilities; (b) a green-field facility

that connects the interconnecting generator and connects to distribution circuits or load-serving facilities; (c) an existing facility that was expanded in its pre-existing configuration to accommodate the interconnecting generator with (i) no additional nodal capacity or (ii) additional nodal capacity; or (d) an existing facility that was reconfigured as part of an expansion to accommodate the interconnecting generator.

- 5.2.1.2. All direct interconnection facilities determined by the ICT to be in category (a) or (c)(i) above will be deemed by the ICT not to be needed in order for the Entergy Transmission System to meet applicable reliability standards as specified in the Transmission Planning Protocol, and therefore classified as Supplemental Upgrades. For facilities that the ICT determines are in categories (b), (c) (ii) or (d) above, the ICT will perform a further analysis to determine whether the facilities are properly classified as Base Plan or Supplemental Upgrades. This analysis is described below in Section 5.3.
- 5.2.2. Required Upgrade Facilities For required network upgrades, the ICT will review the current transmission system configuration to determine: (a) whether the upgrade would be required for short circuit and/or stability protection, absent the interconnecting generator; or (b) whether the upgrade would be required for additional current capability, absent the interconnecting generator. To the extent the ICT can determine that the facility would not be required for such purposes absent the interconnecting generator, the facility will be classified by the ICT to be a Supplemental Upgrade. To the extent the ICT cannot make such a determination using the procedures under this Section 5.2.2, it will perform a further analysis as described below in Section 5.3.
- 5.2.3 Optional Upgrade Facilities For all optional upgrades, the ICT will perform the analysis described in Section 5.3.
- 5.3 Analysis of Reliability Impact of Prior Investments To the extent the ICT needs to perform further analysis to determine whether an upgrade is properly classified as a Base Plan or Supplemental Upgrade, it will do so by determining whether the upgrade is currently required in order for the Transmission System to meet applicable planning and reliability criteria as specified in the Transmission Planning Protocol. It will make such determination by reference to the most recent Base Case Model that it prepares for the Transmission System in accordance with the Transmission Planning Protocol. Using that Base Case Model of the Transmission System, it will determine whether applicable planning and reliability criteria could be met in the absence of the upgrade in question. To the extent that it determines that applicable planning and reliability criteria could be met in the absence of the upgrade in question, it will classify that upgrade as a Supplemental Upgrade. To the extent that it determines that applicable planning and reliability criteria could not be met in the absence of the upgrade in question, it will classify that upgrade as a Base Plan Upgrade.

- 5.3.1 Queue Order The ICT will identify each upgrade for which the cost of the upgrade has not been fully credited back to the interconnecting generator. The ICT will determine the queue order of the upgrades based on the effective date of the applicable IOA. To the extent that facilities have the same IOA effective date, the queue order will be determined based on the in-service date of the upgrade.
- 5.3.2. Removal of Upgrades from Base Case Model The ICT will remove all upgrades identified in Section 5.3.1 from the specified Base Case Model and determine whether there were any overloads on the Transmission System that were not present in the specified Base Case Model or that were more severe than the specified Base Case Model. If there are no overloads that are created or made more severe by the removal of the identified upgrades, then no further analysis will be performed, and none of the identified upgrades will be deemed to have been needed for reliable service on the Transmission System, and thus none will be deemed to be properly classified as Base Plan. If there are new or more severe overloads that appear upon the removal of the identified upgrades, then the ICT will proceed to step 5.3.3.
- 5.3.3. Return to Base Case Model Individually in Queue Order The ICT will put each upgrade identified in 5.3.1 back into the system configuration in the base case model, individually in queue order. For each identified upgrade, the ICT will determine whether returning the upgrade to the system configuration in the base case model results in a material reduction of base case overloads. The ICT will be responsible for the determination of materiality. If the ICT finds that returning the upgrade to the system configuration results in a material reduction in base case overloads in this analysis, then the ICT will deem the upgrade to be needed for reliable service and thus properly classified as Base Plan. If the ICT finds that returning the upgrade to the system configuration does not result in a material reduction in base case overloads in this analysis, then the ICT will deem the upgrade to not be needed for reliable service, and thus properly classified as Supplemental. Once an upgrade has been evaluated under the methodology outlined in this section, it will stay in the system configuration for purposes of evaluating the next upgrade in the queue order.
- 5.4 Evaluation of Other Prior Investments In addition to the investments identified in Section 5.1, the ICT may evaluate other prior investments on the Transmission System made during the same time frame as those considered in Section 5.1 to determine if they are properly classified as Base Plan or Supplemental Upgrades, including upgrades constructed to serve Native Load customers.
- 5.5 Cost allocation After the ICT determines whether an upgrade should be classified as Supplemental or Base Plan, the ICT will so inform the customer funding the upgrade and the Transmission Provider. The Transmission Provider will file with the FERC any necessary amendments to the applicable IOA to implement the ICT's cost allocation determination, seeking cessation of outstanding credits or reimbursement of the customer for any uncredited balance, as applicable. Any payment obligations and terminations of credits under this Section 5.5 will become effective on the date the

FERC allows such amendments to go into effect, provided that such effective date shall not be prior to the implementation date of the software necessary to provide compensation for Short-Term PTP Transmission Service in accordance with Section 4.4 of this Attachment T. Upon such effective date, any amounts reimbursed to customers for upgrades determined to be Base Plan will be eligible for inclusion in the Transmission Provider's retail and wholesale transmission rates.

- 5.6 Stakeholder Participation The ICT will develop appropriate procedures for consulting with individual generation owners during this process, to ensure that the ICT has the benefit of the generator's view of its interconnection upgrades and cost assignments, and to ensure that the generator understands the analytical process undertaken by the ICT with respect to that generator's upgrades.

6. PLANNING REDISPATCH

- 6.1 Charges for planning redispatch provided in accordance with Attachment D of the Tariff shall be calculated in accordance with this Section 6.
- 6.2 A long-term firm PTP Customer will have the option of paying (a) the higher of (i) actual incremental costs of redispatch or (ii) the applicable embedded cost transmission charge on file with the Commission or (b) a fixed charge for redispatch to be negotiated by the Transmission Provider and the Transmission Customer and subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. Such election shall be made at the time the PTP Customer enters into a Service Agreement or requests the filing of an unexecuted Service Agreement, and shall apply during the entire term of the service.
- 6.3 If the PTP Customer selects a fixed charge for redispatch, (a) to the extent that the overload necessitating the redispatch existed in the Base Case Model before the proposed transfer was simulated and was only exacerbated by the transfer, the Customer shall be responsible for redispatch costs sufficient to mitigate the incremental portion of the overload attributable to the proposed transfer and (b) such charge shall be renegotiated by the Transmission Provider and the Transmission Customer at the time any reassessments are performed in accordance with Attachment D of the Tariff, provided that the rate shall be subject to a cap representing the total fixed and variable costs of the resources expected to provide the service.
- 6.4 If the PTP Customer selects the higher of incremental cost or the embedded-cost charge, the Transmission Provider shall calculate the costs of redispatch monthly and charge the higher of redispatch or the embedded cost charge each month. The monthly cost of planning redispatch shall equal:

$$\sum_{i=1}^m \sum_{j=1}^n A_i * (B_{ij} - C_{ij}), \text{ where}$$

A_i = The Redispatch Rate (\$/MWh) applicable to hour i , as calculated under Attachment V and as adjusted for actual gas prices in accordance with Section 8.5 of Attachment V.

i = The hour within the month.

m = The hours within the month during which the applicable service was provided.

j = The applicable flowgate in hour i .

n = The number of constrained flowgates identified in Run 2 under Attachment V for hour i .

B_{ij} = The amount of flows of the PTP Service (pre- or post-contingent, as appropriate) on constrained facility j for hour i of the month, based on the service actually scheduled and using the shift factors calculated in Run 2 under Attachment V applicable for hour i .

C_{ij} = The Customer's hedged use of the constrained facility, which is equal to the lesser of (a) the Customer's Exempt Transmission Capacity for constrained facility j in hour i calculated in accordance with Attachment V or (b) the amount of the flows (pre- or post-contingent, as appropriate) on constrained facility j in hour i . Exempt Transmission Capacity used as a congestion hedge under Attachment V shall be excluded from C_{ij} under this Section 6.4.

In any hour i , for any facility j , $B_{ij} - C_{ij}$ not to be less than zero.

- 6.5 Payments for redispatch under this Section 6, which shall be made to the Entergy Operating Companies, shall be considered reimbursements for fuel or purchased power expenses.