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February 15, 2007

**BY HAND DELIVERY**

Magalie R. Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Entergy Services, Inc.; Docket No. ER05-1065-000  
Report of Inaccurate Data due to OASIS Software Issues

Dear Secretary Salas:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") April 24, 2006 Order in *Entergy Services, Inc.*, 116 FERC ¶ 61,095 (2006) ("April 24 Order"), Entergy Services, Inc., acting as agent for the Entergy Operating Companies,<sup>1</sup> hereby notifies the Commission of certain OASIS Automation ("OA") software issues that it believes resulted in inaccurate Available Flowgate Capacity ("AFC") data.

In the April 24 Order, the Commission conditionally accepted Entergy's proposal to establish an Independent Coordinator of Transmission ("ICT") for the Entergy System. As the Commission is aware, the Southwest Power Pool, Inc. ("SPP") acts as Entergy's ICT. In the April 24 Order, the Commission imposed an obligation for Entergy to "notify the Commission, the ICT and the Users Group within 15 days if Entergy discovers that it has lost data, or reported inaccurate data, or otherwise believes that it has mismanaged data." See April 24 Order at P 110.

On January 31, 2007, the ICT notified Entergy that, during its investigation into a question raised by a transmission customer, it had identified two OA software issues that resulted in inaccurate AFC data. Entergy subsequently investigated and consulted with AREVA, the OA software

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

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vendor. The issues are generally described below. Additional information about these software issues will be included in the ICT's next scheduled quarterly report to the Commission.

**Issue No. 1: Failure to Reflect Stored Data Following OA Resyncs**

On a weekly basis, the OA software recalculates base flows and sensitivities for all paths across all flowgates for the Study Horizon (*i.e.*, months 2 through 18 of the AFC horizon). Between the weekly updates, OA algebraically increments and decrements the AFC data to reflect transmission service request ("TSR") status changes in the interim. This incremental data is stored so that it may continue to accurately reflect changes until the subsequent weekly update. However, the ICT, Entergy and AREVA determined that OA was not reflecting this stored data and instead was reverting to the prior weekly update each time it underwent a manual "resync."<sup>2</sup> Consequently, OA determined that capacity was available when in fact a portion of that capacity may have been accepted, counteroffered, or confirmed since the previous weekly update. Had a request been withdrawn, such stored data likewise would not have been reflected in a resync. During the following weekly update, the software would correct itself. OA performs similar updates for the Planning Horizon approximately every six hours and every hour for the Operating Horizon. During investigation of the Study Horizon, it was determined that the OA software issue affected both the Planning Horizon and Operating Horizon as well. Given the short time periods between updates in the Operating Horizon, however, it is believed that any practical effects would be minimal.

**Issue No. 2: Double Counting of Reservations**

Concurrent with its research into Issue No. 1, the ICT identified a related problem. In the Study Horizon, flows are calculated in the weekly update based on TSRs that have the following statuses: confirmed, accepted, or counteroffered. By doing so, OA takes account of requests that may be confirmed at any time. However, the ICT discovered that if a TSR had an accepted or counteroffered status at the time of a resync, and the TSR was subsequently confirmed after the resync, the amount of the TSR would be decremented twice. Therefore, OA attributed an additional increment of flows to the then-confirmed reservation, essentially counting such reservations twice across all impacted flowgates. During the following weekly update, the software would correct itself, but any intervening TSRs would have been evaluated based on inaccurate AFC data. The same problem also affected the Planning Horizon and the Operating Horizon.

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<sup>2</sup> A resync occurs under many circumstances, such as, *inter alia*, migrating long-term reservations to an Exclude File, server patches and updates, database patches and updates, and routine maintenance.

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**Issue No. 3: Daylight Savings Time Incompatibility**

At approximately the same time, the ICT contacted Entergy regarding another potential issue identified by a transmission customer. The ICT indicated that some of Entergy's monthly models appeared to be showing congestion where it should not exist. Upon investigation, Entergy discovered a third software issue that may have resulted in inaccurate AFC data for two discrete periods of time. The Energy Policy Act of 2005 altered the start and end dates of daylight savings time by moving the start from the first Sunday of April to the second Sunday of March, and the end from the last Sunday of October to the first Sunday of November. *See* Pub. L. 109-58, 119 Stat. 594, 615 (Aug. 8, 2005). The monthly models upon which transmission service requests are based apparently were not programmed to reflect the change, causing certain reservations to be evaluated without recognition of the time difference, and therefore potentially incorrectly.

**Remedies**

As soon as learning of these issues, Entergy consulted with AREVA, the OA software vendor. AREVA believes that a software "bug" may have been introduced into the OA software during the last major software release in late October 2006. AREVA developed and tested a software patch to solve Issue Nos. 1 and 2. Entergy and the ICT subsequently tested the software patch before deploying it on February 10, 2007.

Entergy manually corrected in its models the discrepancies caused by the daylight savings time issues. The most recent version of OA software includes a fix to ensure that the problem does not recur on a prospective basis. However, a small number of reservations that were confirmed prior to the software patch cannot be corrected without further action. AREVA has suggested that the ICT correct the reservations operationally rather than through a software patch, given the small number of transactions.

Entergy will continue to keep the ICT apprised of any further development or additional information. The inaccurate data resulting from these software errors may have resulted in an oversale of one or more interfaces. Any errors will be corrected, and in certain instances may require the annulment of an accepted request.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Floyd L. Norton, IV", followed by a stylized flourish.

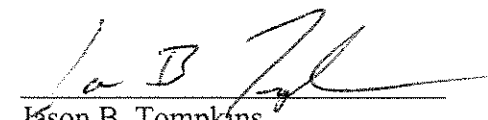
Floyd L. Norton, IV

*Attorney for*  
*Entergy Services, Inc.*

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

**CERTIFICATE OF SERVICE**

I hereby certify that I have, this 15th day of February 2007, served the foregoing document upon the Southwest Power Pool, Inc., the ICT Users Group, and each person designated on the official service list compiled by the Secretary in the above-captioned proceedings.

  
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