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February 23, 2010

Via Hand Delivery
Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Entergy Services, Inc., Docket No. ER10-___-000

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d (2006), and 18 C.F.R. § 35.13 (2009) of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations, Entergy Services, Inc, acting as agent for the Entergy Operating Companies[1] (collectively "Entergy"), submits for filing revisions to its open access tariff, FERC Electric Tariff Third Revised Volume No. 3 ("OATT").

This filing contains the following parts:

- This transmittal letter;
- Attachment A, a clean copy of the proposed revised tariff sheets;
- Attachment B, a redline of the revised tariff sheets; and
- Attachment C, new Entergy Business Practice.[2]

[1] The Entergy Operating Companies are: Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc.

[2] The Business Practice is submitted for informational purposes rather than for acceptance under FPA Section 205.

I. INTRODUCTION

The North American Electric Reliability Corporation ("NERC") Transmission Loading Relief Procedures, a revised version of which was approved by the Commission in 2009,[3] recognize that the Interconnection-wide TLR Procedures ("NERC TLR Procedures") are but one tool in a Reliability Coordinator's arsenal for relieving transmission line loading. Specifically, Reliability Standard IRO-006-4, Section R1, states that a Reliability Coordinator may "select one or more procedures to provide transmission loading relief."[4] Through this filing, Entergy, with the general support of the Southwest Power Pool, Inc., Entergy's Independent Coordinator of Transmission ("ICT"), seeks to couple the NERC TLR Procedures with a supplemental procedure that allows for curtailments beyond the Interchange Transactions curtailed under the NERC TLR Procedures. Entergy is submitting revisions to Sections 14.7 and 33.4 of its OATT and a new OATT Business Practice to implement this supplemental curtailment procedure.

In addition, Entergy is submitting the Local Area Procedures ("LAP") it intends to use to implement the curtailment process under Section 14.7 of the *pro forma* OATT in circumstances where the NERC TLR Procedures will not effectively resolve a constraint. The LAP are included in a new Attachment X to the Entergy OATT. The process used for the determination to implement the LAP is described in OATT Sections 14.7 and 33.4.

As explained below, the proposed OATT revisions are consistent with or superior to the *pro forma* OATT.

II. THE SUPPLEMENTAL CURTAILMENT PROCEDURES ARE JUST AND REASONABLE

A. Background

Under Section 2.5.2 of the NERC TLR Procedures, when a Level 4 TLR is called, all "Interchange Transactions" using Non-Firm Point-to-Point Transmission

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[3] *Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards*, 126 FERC ¶ 61,252 (2009) ("Order No. 713-A"), *reh'g denied,* 130 FERC ¶ 61,032 (2010) ("Order No. 713-B"). The applicable NERC TLR Procedures for the Eastern Interconnection are found in Attachment 1 to Reliability Standard IRO-006-4, which was made effective on April 23, 2009. This Reliability Standard is to be modified in the future in accordance with FERC direction.

[4] The NERC Reliability Standards are located at: http://www.nerc.com/page.php?cid=2|20.

Service that are at or above the Curtailment Threshold that impact the Constrained Facilities are curtailed. An Interchange Transaction is defined by NERC's Glossary of Terms as "[a]n agreement to transfer energy from a seller to a buyer that crosses one or more Balancing Authority Area boundaries."[5] Under NERC TLR Procedures Section 1.6, the administration of the NERC TLR Procedure is guided by information obtained from the Interchange Distribution Calculator ("IDC"). The IDC is defined by the Glossary of Terms as the "mechanism used by Reliability Coordinators in the Eastern Interconnection to calculate the distribution of Interchange Transactions over specific Flowgates. It includes a database of all Interchange Transactions and a matrix of the Distribution Factors for the Eastern Interconnection." As a result, certain non-firm transmission transactions that are not considered "Interchange Transactions" are not curtailed under the current NERC TLR Procedures. A widely-used category of non-firm schedules that is not curtailed under the TLR Procedures involves transmission transactions from secondary network resources that have a non-firm priority (NN-6 and NH-2) that are delivered within the balancing authority area; *i.e.,* these non-firm transmission transactions do not cross balancing authority area boundaries and thus are not considered "Interchange Transactions."

In comments filed on the NERC TLR Procedures in Docket No. RM08-7, several entities alleged that there was a disconnect between the curtailment provisions set out in the OATT, which require non-discriminatory curtailments of transactions with like priorities, and the NERC TLR Procedures, which do not cover transactions not evaluated by the IDC. For example, one commenter stated that the IDC "never curtails non-firm internal schedules (i.e., schedules with the source and sink within the same balancing area) prior to curtailing firm transmission."[6] The commenter further alleged that:

> while the IDC evaluates interchange transactions properly (i.e., transactions where the source and sink are in different balancing authorities), it does not properly reflect internal schedules (i.e., transactions where the source and sink are in the same balancing authority). Calculations made by the IDC ignore internal purchases by a host balancing authority from entities within its footprint, such as sales from independent power producers ("IPPs") to the host balancing authority.[7]

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[5] The NERC Glossary of Terms is located at: http://www.nerc.com/docs/standards/rs/Glossary_2009April20.pdf.

[6] *See* Comments of the NRG Companies ("NRG") at 9, Dkt. No. RM08-7 (Oct. 10, 2008).

[7] *Id.* at 14-15. In an April 20, 2009 rehearing request, the NRG Companies, along with Constellation Energy Commodities Group and the Electric Power Supply Association, reiterated these allegations.

In response to these comments, NERC stated that concerns that the IDC identifies only Interchange Transactions could be addressed by changing non-Interchange Transactions (*e.g.*, intra-balancing authority area transactions) into Interchange Transactions by scheduling such transactions as if they were inter-balancing authority transactions through the use of a placeholder balancing authority.[8] In Order No. 713-A, the Commission found that this issue was outside the scope of that proceeding.[9] In Order No. 713-B, the Commission continued to find the issue outside the scope, but simultaneously opened a Notice of Inquiry to address "the interplay between Reliability Standard IRO-006-4 (Reliability Coordination – Transmission Loading Relief) and curtailment priorities in Commission-approved Open Access Transmission Tariffs (OATT)."[10] Significantly, the Commission did not express any disapproval of the concept of curtailing non-Interchange Transactions in addition to curtailment of Interchange Transactions called for under the NERC TLR Procedures. Indeed, the TLR NOI indicates that the current application of the NERC TLR Procedures and Reliability Standard IRO-006-4 may be inconsistent with OATT curtailment priorities and seeks recommendations as to potential corrective actions.[11]

Prior to issuance of Order Nos. 713-A and -B, some of the same entities that raised the issue in Docket No. RM08-7 also requested that the ICT immediately address the issue on Entergy's system independent of the generic proceedings pending before the Commission. The ICT considered filing a petition for declaratory order addressing this issue, but agreed with Entergy that a Section 205 filing was the preferred route to present this issue to the Commission. A Section 205 filing also would likely result in a faster implementation of the relief desired by Entergy's stakeholders.

Entergy and the ICT considered the approach NERC suggested – changing non-Interchange Transactions into Interchange Transactions – but concluded that the more effective approach would be to adopt procedures to supplement the NERC TLR Procedures, and set out those procedures in the OATT and in a Business Practice. Entergy and the ICT were mindful that the NERC TLR Procedures cannot be altered in any manner absent NERC approval, and purposefully designed tariff changes and a Business Practice that do not modify the curtailment scheme required under the NERC TLR Procedures. Instead, as discussed below, the provisions proposed by this filing

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[8] *See* Motion for Leave to Answer and Answer of the North American Electric Reliability Corporation at 5-6, Dkt. No. RM08-7 (Oct. 27, 2008).

[9] Order No. 713-A at P 21.

[10] *Transmission Loading Relief Reliability Standard and Curtailment Priorities,* Notice of Inquiry, 130 FERC ¶ 61,033 at P 1 (2010) ("TLR NOI").

[11] TLR NOI at P 19.

allow Entergy to curtail non-firm transmission transactions *in addition to* the Interchange Transactions that are covered by the NERC TLR Procedures.

Despite the recent issuance of the TLR NOI, Entergy has decided to proceed with this filing, as Entergy and ICT hope to implement the new procedures in advance of this summer and they do not expect that the Commission and NERC will have finished consideration of TLR NOI issues by that time.

B. Description of Supplemental Curtailment Procedures

Various Entergy transmission customers and participants in the ICT stakeholder process have urged Entergy and the ICT to adopt procedures to ensure that non-Interchange Transactions with a non-firm priority are curtailed during a Level 4 (or 5) TLR, even though those transmission transactions would not be subject to curtailment under the NERC TLR Procedures. After consulting with the ICT and the stakeholders, Entergy is proposing to amend the curtailment procedures in Sections 14.7 and 33.4 of its OATT. The key provision in both sections reads as follows:

> [W]here Non-Firm Point-to-Point Transmission Service, Secondary Service under Section 28.4 or other non-firm transmission service transactions (i) are contributing to the constraint and (ii) would not be Interrupted or Curtailed under the NERC TLR Procedures, the Transmission Provider will Interrupt and/or Curtail such transmission service transactions prior to Curtailing and/or Interrupting Firm Transmission Service.

As the text indicates, Entergy is not proposing to alter the NERC TLR Procedures. Rather, as expressly permitted by the Reliability Standards, the tariff provisions provide the authority to curtail transactions in addition to those covered under the NERC procedure. Importantly, the supplemental curtailment procedures reflect the intent of OATT Sections 13.6, 14.7, and 33.4 that, when curtailments are necessary, all schedules of the same priority are treated alike and all non-firm services are curtailed before firm services.

The Business Practice details the steps that will be taken to implement the supplemental procedures set out in the OATT. For example, the Business Practice explains that after a Level 3 TLR is called – because one or more of the Transmission Provider's transmission facilities are expected to approach or are approaching their System Operating Limit ("SOL") or Interconnection Reliability Operating Limit ("IROL") – in anticipation of a Level 4 TLR, the ICT will identify each generator within

the Entergy Balancing Area with a 5% or greater Generator Shift Factor ("GSF") [12] on the Constrained Facilities. Next, the ICT will identify whether, for the current or following hour, such generator has been scheduled for delivery within the Entergy Balancing Authority Area by (i) any Transmission Customer, including the entity responsible for serving the Transmission Provider's Native Load Customers, under Secondary Service (as defined in Section 28.4 of the Tariff), (ii) any Transmission Customer using Non-Firm Point-to-Point Transmission Service, or (iii) any grandfathered pre-Order No. 888 transmission customer that has arranged non-firm transmission service. The Business Practice defines these types of intra-Balancing Authority Area schedules as "Affected Deliveries."

In the event that the ICT issues a TLR Level 4 to reconfigure transmission, it will provide notice to Entergy requiring the curtailment of all Affected Deliveries. The curtailment of Affected Deliveries will be for the current hour and will continue for each subsequent TLR Level 4 issuance and in any TLR Level 5 issued. Any Affected Deliveries that are scheduled for the following hour may not begin until the ICT releases the TLR Level 4 or Level 5.

The Business Practice provides that, in accordance with NAESB Business Practice Standards, the ICT will post the information required under 18 C.F.R. §§ 37.6(a)(4) and 37.6(e)(3) for Curtailments or Interruptions of posted transactions. How Transmission Providers meet the posting requirements Sections 37.6(a)(4) and 37.6(e)(3) is dictated by NAESB Business Practices. NAESB has not implemented an OASIS template for the reporting of curtailments of unscheduled deliveries. Should NAESB revise the OASIS template or implement other measures for posting the curtailment of unscheduled deliveries, Entergy will follow those requirements for curtailments implemented in accordance with the supplemental procedures.

Because the supplemental procedures better reflect the intent of the Commission with regard to curtailments by complementing the NERC TLR Procedures to ensure that non-firm, non-interchange, transmission transactions are subordinate to firm transactions for curtailment purposes, Entergy submits that the proposed revisions (as implemented by the Business Practice) are consistent with or superior to the *pro forma* OATT.

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[12] The GSF reflects a generator's impact on a flowgate, representing the change in flow on a flowgate due to an incremental injection at a generator bus, and a corresponding withdrawal at the swing bus. While the Business Practice currently uses GSF for the identification of the generators impacting constrained facilities, Entergy and the ICT have agreed to study the use of GSF during the upcoming summer season and evaluate whether a generator to load distribution factor ("GLDF") should be used instead of a GSF.

C. Stakeholder Process

Entergy is proposing the supplemental curtailment procedures in response to stakeholder concerns such as those expressed in the NERC TLR rulemaking docket. Given that expected future improvements to NERC's TLR improvement process are not expected to be complete by this upcoming summer, both Entergy and the ICT supported taking earlier action in response to such stakeholder concerns. The stakeholders have urged Entergy and the ICT to press ahead to address the issue as it relates to the Entergy system. The concept of supplemental procedures was discussed with stakeholders at the ICT Near-Term Transmission Issues Working Group ("NTTIWG") stakeholder meetings convened on January 27, 2009, and March 19, 2009. In advance of the April 22, 2009 NTTIWG Stakeholder meeting, the ICT circulated the draft tariff language for OATT Section 14.7 and the Business Practice was described in detail in a presentation.

On June 2, 2009, the ICT circulated a draft of the revised OATT sections and the Business Practice in anticipation of a June 9, 2009 conference call to discuss them. Entergy and the ICT answered several questions concerning the tariff language and Business Practice. Entergy carefully considered the points raised in the stakeholders' comments and has included certain changes to its proposal as a result of those comments, but Entergy did not receive any stakeholder feedback that caused it to alter the overall proposal in any significant manner.[13]

The stakeholder input revealed a disagreement among stakeholders as to whether the procedures set out in the revised OATT sections and the Business Practice should apply to unscheduled deliveries from QFs (so-called "PURPA puts") that are secondary or non-designated network resources under the Entergy OATT. Entergy took the position that there was nothing in the OATT suggesting that the such unscheduled deliveries should not be curtailed on the same basis as other secondary network resources. While some stakeholders agreed with Entergy, certain QF stakeholders argued that the curtailment provisions proposed by Entergy were inconsistent with Commission regulations addressing the circumstances under which utilities may discontinue their QF purchases. After considerable discussion, the ICT requested that Entergy exclude the curtailment of unscheduled deliveries from QFs as part of the Business Practice pending further guidance from the Commission on how to treat QFs for modeling purposes.[14] Entergy and the ICT agreed that this approach would allow Entergy to make this filing so the curtailment provisions can be put in effect before the upcoming summer months.

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[13] Concurrently with this filing, Entergy posted responses to questions previously posed during the stakeholder process.

[14] *See Entergy Services, Inc.*, Docket Nos. ER05-1065-011 and OA07-32-008, "Entergy Attachments C, D and E Compliance Filing," Transmittal Letter at pp. 29-35 (Apr. 3, 2009).

D. Effective Date

Because the supplemental curtailment procedures are contained in a Business Practice, the Commission would not set their effective date. However, the Commission does set the effective date for the related tariff provisions, and Entergy seeks to put the supplemental curtailment procedures into effect on April 25, 2010.

III. LOCAL AREA OPERATING PROCEDURES

A. Background

Under Section 14.7 of the Entergy OATT, Entergy relies on the NERC TLR Procedures "where the TLR Procedures would effectively resolve the constraint." If the NERC TLR Procedures will not be effective at mitigating a constraint on the Entergy system, Entergy relies on the curtailment procedures and priorities in its *pro forma* OATT, including Sections 14 and 33, to relieve the constraint. To implement curtailments under these provisions, Entergy historically has relied upon what are referred to as "Local Area Procedures" or "LAP." Entergy's LAP are not a local substitute for curtailments as directed by the Interconnection-wide NERC TLR Procedures. Instead, the LAP are used when the ICT determines that the NERC TLR Procedures cannot effectively resolve the constraint based on the threshold described in Sections 14.7 and 33.4 of the OATT. The LAP describe the technical methodology used by the system operators to identify the specific curtailments and redispatch directives that will be implemented in conformance with the curtailment provisions and priorities established in Sections 14 and 33 of the *pro forma* OATT. The LAP historically have been posted as a business practice on Entergy's OASIS site and have changed over time to adapt to changing system conditions and operational needs.

As part of the Commission's approval of Entergy's ICT proposal, the Commission approved Attachment S to the Entergy OATT and the ICT Reliability Coordinator Protocol appended thereto.[15] The Protocol specified the division of responsibilities between Entergy and the ICT for implementation of the TLR and LAP processes. Under those provisions, the ICT decides whether the TLR or LAP should be used and is solely responsible for implementing TLRs, while Entergy is responsible for implementing the LAP once the ICT has determined that it is appropriate to do so. Entergy and the ICT have been operating under these provisions since ICT implementation began in November 2006. During recent discussions, Entergy and the ICT agreed that the next set of revisions to the LAP would be filed as an attachment to the Entergy OATT, along with the supplemental curtailment procedures discussed above.

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[15] *See Entergy Services, Inc.*, 117 FERC ¶ 61,055 (2006), *subsequent history omitted.*

By incorporating the LAP into the OATT, additional transparency is provided, particularly as OASIS postings will also be made as described below.

B. Description of the LAP

Entergy is submitting three sets of tariff sheet revisions to incorporate the LAP into the OATT. First, Entergy is amending Sections 14.7 and 33.4 of the OATT to include the specific standard used to decide whether the LAP or the NERC TLR Procedures will be applied in particular circumstances. Under revised Sections 14.7 and 33.4 of the OATT, the ICT determines whether the NERC TLR Procedures will effectively relieve a constraint by evaluating the extent to which Interchange Transactions are contributing to the constraint. Generally, if ten percent (10%) or more of the power flows causing the constraint are attributable to Interchange Transactions, the ICT will implement the NERC TLR Procedures, as supplemented above, to relieve the constraint. But if less than ten percent (10%) of such flows are attributable to Interchange Transactions, the ICT will inform Entergy that the LAP must be used to relieve the constraint.[16] The ICT retains the discretion, however, to determine that the constraint can best be relieved by the NERC TLR Procedures. If a constraint is not relieved after using the NERC TLR Procedures and/or the LAP, the ICT and/or Entergy may take any other action necessary to protect the reliability of the transmission system.

Second, Entergy is submitting new Attachment X to the OATT, which includes the substance of the LAP. Definitions are set forth in Section 1.2. One defined term – "Generation Shift Factor" ("GSF") – is particularly important in implementing LAP. As explained in Section 1.3, all generators interconnected to the Entergy Transmission System, including generators that operate within their own generation-only balancing authority areas, will be subject to the LAP. The ICT will post on OASIS notice of Entergy's implementation of LAP. Att. X, § 1.4. As with the supplemental curtailment procedures, information about curtailments under the LAP will follow existing NAESB Business Practices, which currently do not provide the means for posting curtailments of unscheduled deliveries.

The LAP consist of a series of progressive steps, described in Section 2 of Attachment X, that follow the curtailment priorities established in the OATT. First, on a *pro rata* basis, Entergy will curtail all non-firm point-to-point schedules with a Service Priority of 0-5 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. Transmission transactions of each Service Priority will be curtailed in their entirety before transmission transactions of the next higher Service Priority are curtailed. Second, secondary network service, including such

[16] Entergy's operational experience indicates that the TLR process is generally effective as long as this 10% threshold is met and generally ineffective if it is not.

service for Entergy's native load, sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate would be curtailed. The LAP cover unscheduled deliveries from QFs to the Transmission Provider's native load, but in lieu of curtailing such QF deliveries, Entergy may redispatch its Network Resources to relieve the constraint to the same extent as if the QFs were curtailed. Under Step 3, Entergy will reconfigure its transmission system to mitigate the constraint. Step 4 requires Entergy, on a *pro rata* basis, to curtail firm point-to-point transmission transactions and redispatch network resource schedules with a Service Priority of 7 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. The curtailments and redispatch directives will not require a QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes. In addition, given standard industry practices with regard to the operation of nuclear facilities, in lieu of redispatching or curtailing transmission transactions involving a nuclear generator, Entergy may elect to redispatch or curtail schedules from other network resources that similarly relieve the constraint.

Step 5 provides that if implementation of Steps 1, 2, and 4 does not provide the necessary relief, before moving to Step 6, the Transmission Provider will contact the ICT to discuss additional mitigation options available.

Under Step 6, Entergy repeats Steps 1, 2, and 4 utilizing a 1.5% GSF in lieu of a 3.0% GSF. Finally, if Steps 1-6 fail to resolve or sufficiently mitigate the problem, Step 7 requires Entergy, on a *pro rata* basis, to curtail and/or redispatch any remaining transmission transactions sourced from a nuclear generator or QF having a GSF equal to or greater than 1.5% that adversely impacts the constrained flowgate, even if such curtailments and redispatch directives would require (i) the nuclear plant to reduce its output or (ii) the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.[17] If the constraint is not appropriately mitigated after successful completion of LAP Steps 1-7, Entergy will take any necessary action to maintain system reliability.

In connection with Attachment X, Entergy also is submitting various tariff revisions to ensure clarity in the division of responsibilities between Entergy and the ICT regarding the LAP. As with other OATT functions performed by the ICT, the *pro forma* OATT sections related to the TLR and LAP processes continue to speak in terms of the "Transmission Provider" taking certain actions, while Attachment S specifies which of those actions and functions will be performed by Entergy or the ICT. To address any potential ambiguity, Sections 6.1.8 and 6.2.3 of the ICT Reliability Protocol appended to Attachment S have been added and revised respectively to include the proper cross-references to new Attachment X and revised OATT Sections 14.7 and 33.4. Section 1.1

[17] Entergy is not proposing that energy scheduled from QFs be completely exempt from the LAP.

of Attachment X provides additional detail regarding which entity is responsible for various actions provided for under the LAP. And, to provide greater clarity concerning each entity's roles under the LAP, the new Attachment X explicitly indicates which entity will perform specific tasks. In making these changes, Entergy has retained the same division of responsibilities contained in the original version of Attachment S approved by the Commission in Docket No. ER05-1065 (*i.e.,* the ICT decides whether the TLR or LAP should be used, the ICT implements TLRs, and Entergy implements the LAP).

C. Stakeholder Process

Prior versions of the LAP business practice have been presented by the ICT to stakeholders at various meetings of the ICT-led stakeholder process. Discussions concerning formalizing the LAP and making them part of the OATT were held in January and June 2009. The revisions under consideration were initially presented by the ICT to stakeholders at the ICT NTTIWG Stakeholder Meeting of January 27, 2009, where the revisions were explained and discussed. The LAP have undergone further refinement since that meeting. A draft of the revised LAP, along with the entire proposal discussed herein, was provided to stakeholders by the ICT on June 2, 2009, and discussed on June 9, 2009. Again, as a result of the discussion and later written comments a few provisions were clarified and, as noted above, Entergy has provided stakeholders with responses to questions they previously posed.

D. Effective Date

Entergy seeks to put the tariff sheets implementing the LAP into effect on April 25, 2010.

IV. REQUIRED INFORMATION AND WAIVERS

This filing consists of a rate change other than a rate increase,[18] and Entergy thus seeks approval to provide only the information required by 18 C.F.R. §§ 35.13(b) and (c). To the extent not already provided above, the following information required by Sections 35.13(b) and (c) is supplied below:

- No expenses or costs in connection with this service agreement have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

- No specifically assignable facilities will be constructed in order to supply service.

[18] 18 C.F.R. § 35.13(a)(2)(iii) (2009).

V. COMMUNICATIONS AND SERVICE

Entergy requests that questions or other communications and all service relating this filing be addressed to:

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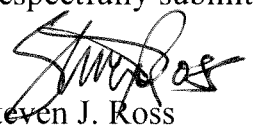
In addition to making this filing with the Commission, Entergy has posted a copy of the filing on its OASIS and has provided a copy to the retail regulators of the Entergy Operating Companies. Entergy requests that the Commission waive the requirement in 18 C.F.R. § 385.2010 (2009) for Entergy to serve this filing on its customers, as Entergy has posted the filing on its OASIS. A hard copy of this filing is also available at Entergy's corporate headquarters in New Orleans, Louisiana, and its offices in Washington, D.C.

If you have any questions regarding his filing please do not hesitate to call.

Respectfully submitted,



Steven J. Ross

Attachments

ATTACHMENT A

FERC ELECTRIC TARIFF THIRD REVISED VOLUME NO. 3
CLEAN TARIFF SHEETS

14.7 Curtailment or Interruption of Service:

(a) 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, (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 follow the NERC Transmission Loading Relief Procedures ("NERC TLR Procedures") currently in effect and accepted by FERC where the NERC TLR Procedures would effectively relieve the constraint. In addition, as described in the Transmission Provider's business practices, where Non-Firm Point-to-Point Transmission Service, Secondary Service under Section 28.4 or other non-firm transmission service transactions (i) are contributing to the constraint and (ii) would not be Interrupted or Curtailed under the NERC TLR Procedures, the Transmission Provider will Interrupt and/or Curtail such transmission service transactions prior to Curtailing and/or Interrupting Firm Transmission Service. 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.

(b) After the effective date of Attachment X, the Transmission Provider determines whether the NERC TLR Procedures will effectively relieve the constraint by evaluating the extent to which Interchange Transactions are contributing to the constraint. If ten percent (10%) or more of the power flows causing the constraint are attributable to Interchange Transactions, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 14.7(a). If less than ten percent (10%) of such flows are attributable to Interchange Transactions, the Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint.

(c) After the effective date of Attachment X, notwithstanding the ten percent (10%) threshold in Section 14.7(b), if the Transmission Provider determines that the constraint can only be relieved by the NERC TLR Procedures, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 14.7(a); if the Transmission Provider determines that the constraint cannot be relieved by the NERC TLR Procedures, the

Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint. If the constraint is not relieved after using the NERC TLR Procedures, the Local Area Procedures, or both procedures, nothing in this Section 14.7 prevents the Transmission Provider from taking any other action necessary to protect reliability of the Transmission System.

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.

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:

(a) 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 NERC TLR Procedures specified in

Attachment J. The Transmission Provider will follow the NERC TLR Procedures currently in effect and accepted by FERC where the NERC TLR Procedures would effectively relieve the constraint. In addition, as described in the Transmission Provider's business practices, where Non-Firm Point-to-Point Transmission Service, Secondary Service under Section 28.4 or other non-firm transmission service transactions (i) are contributing to the constraint and (ii) would not be Interrupted or Curtailed under the NERC TLR Procedures, the Transmission Provider will Interrupt and/or Curtail such transmission service transactions prior to Curtailing and/or Interrupting Firm Transmission Service. 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.

(b) After the effective date of Attachment X, the Transmission Provider determines whether the NERC TLR Procedures will effectively relieve the constraint by evaluating the extent to which Interchange Transactions are contributing to the constraint. If ten percent (10%) or more of the power flows causing the constraint are attributable to Interchange Transactions, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 33.4(a). If less than ten percent (10%) of such flows are attributable to Interchange Transactions, the Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint.

(c) After the effective date of Attachment X, notwithstanding the ten percent (10%) threshold in Section 33.4(b), if the Transmission Provider determines that the constraint can only be relieved by the NERC TLR Procedures, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 33.4(a); if the Transmission Provider determines that the constraint cannot be relieved by the NERC TLR Procedures, the Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint. If the constraint is not relieved after using the NERC TLR Procedures, the Local Area Procedures, or both procedures, nothing in this Section 33.4 prevents the Transmission Provider from taking any other action necessary to protect reliability of the Transmission System.

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,

Electric Reliability Organization (ERO) or SERC as a Regional Reliability Organization (RRO). The NERC EEA and TLR Procedures are two examples of NERC Standards.

2.5. NERC TLR Procedures shall mean the Transmission Loading Relief procedures adopted by NERC as Standard IRO-006-1 or its successor.

3. Overview of Responsibilities and Authorities The general division of responsibility and authority between the ICT Reliability Coordinator and the Transmission Provider shall comply with NERC Standard IRO-001-0 or its successor and Section 3 of this protocol. The specific division of responsibilities and authorities with respect to Operations Planning, Current-Day Operations, and Emergency Operations shall also comply with the applicable NERC Standards and are described in Sections 4-6 of this protocol.

3.1. ICT Reliability Coordinator

3.1.1. The ICT will serve as the Reliability Coordinator for the ICT Reliability Area and will be responsible for bulk transmission reliability for the ICT Reliability Area. The ICT will perform all functions identified for Reliability Coordinators consistent with the NERC Standards, the ICT Reliability Plan and this protocol. The ICT will execute coordination agreements and share data with adjacent Reliability Coordinators as necessary to support Reliability Coordinator functions under NERC Standards.

3.1.2. The ICT shall have clear decision-making authority to act and direct actions to be taken by the entities in the ICT Reliability Area to preserve the integrity and reliability of the Bulk Electric System. The ICT may direct these entities to redispatch generation, reconfigure transmission, modify transmission maintenance and outage schedules, or reduce load to mitigate critical conditions to return the system to a reliable state. The ICT may utilize all resources, as appropriate, to address potential or actual violations of NERC's Interconnected Reliability Operating Limits (IROL), System Operating Limits (SOL), Control Performance Standards (CPS), and Disturbance Control Standards (DCS), as defined in the NERC Standards. The ICT will have sole authority to implement the NERC TLR and EEA Procedures.

3.2. Transmission Provider

3.2.1. The Transmission Provider will serve as the Balancing Authority Area, Transmission Owner and Transmission Operator for the Entergy Transmission System and, subject to the authority of the ICT, will be responsible for bulk transmission reliability for the Entergy Transmission System. The

Transmission Provider will perform all functions identified for Balancing Authority Areas and Transmission Operators as set forth in the NERC Standards, including receiving, confirming and implementing Interchange Schedules and other transmission service schedules, subject to the ICT's authority to direct changes to such schedules. In accordance with Section 6 of Attachment S, the Transmission Provider will provide the ICT with any data or information the ICT deems necessary to perform the Reliability Coordinator functions identified in this protocol and the NERC Standards.

3.2.2. The Transmission Provider will have authority to address emergency situations and reliability problems with respect to the Entergy Transmission System, through its roles as Balancing Authority, Transmission Operator, and Transmission Provider under the Tariff. The Transmission Provider will coordinate any reliability-related actions with the ICT in the first instance; provided, however, that nothing in this protocol prevents the Transmission Provider from taking action immediately necessary to protect reliability of the Entergy Transmission System in situations where there is insufficient time to coordinate with the ICT or for the ICT to act itself. The Transmission Provider's authority under such circumstances will be limited to taking actions that involve generation and transmission facilities that fall within the Transmission Provider's authority under this Tariff, including the dispatch of Network Resources, or other applicable agreements or tariffs or the NERC Standards.

3.3. Obligation to Comply with ICT Reliability Coordinator Directives The Transmission Provider and all Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing and Selling Entities in the ICT Reliability Area shall comply with the ICT's Reliability Coordinator directives, unless such actions would violate safety, equipment, or regulatory or statutory requirements. Under these circumstances, the non-complying entity shall immediately inform the ICT of the inability to perform the directive so that the ICT may implement alternative remedial actions.

4. Operations Planning

4.1. ICT Duties and Responsibilities The ICT's responsibility with respect to Operations Planning shall include the following:

4.1.1. Perform next-day reliability analyses to identify potential IROL and SOL violations and analyze expected peak system conditions including thermal, voltage and stability related analyses;

6.1.5. Direct any Balancing Authority to minimize its ACE to comply with NERC Standards, including when its ACE is contributing to a significant frequency deviation or other emergency condition;

6.1.6. Implement any other mitigation procedures as necessary to address imminent IROL, SOL, CPS or DCS violations;

6.1.7. Coordinate all reliability-related actions and procedures, including System Restoration Plans under NERC Standard EOP-006-0 (or it successor), with the Transmission Provider, Reliability Coordinators, Transmission Operators, and Balancing Authorities as necessary; and

6.1.8. Determine whether the NERC TLR Procedures described in Attachment J or the Local Area Procedures described in Attachment X should be used to relieve a constraint pursuant to Sections 14.7(b), 14.7(c), 33.4(b), and 33.4(c) of the Tariff.

6.2. Transmission Provider Duties and Responsibilities The Transmission Provider's responsibility with respect to Emergency Operations shall include the following:

6.2.1. Request the ICT to implement the appropriate NERC TLR Procedures or EEA Procedures as a mitigation measure for resolving potential or actual SOL or IROL violations;

6.2.2. Assist the ICT with identification of potential local area procedures to be used to respond to potential or actual SOL or IROL violations;

6.2.3. Implement the Local Area Procedures described in Attachment X where the ICT determines that such procedures should be used in combination with or in lieu of the NERC TLR Procedures;

6.2.4. Implement the Transmission Provider's System Restoration Plan in coordination with the ICT; and

6.2.5. Take any action a Balancing Authority or Transmission Operator is allowed to take under NERC Standards, or any action the Transmission Provider is allowed to take under the Tariff, where such action is immediately necessary to protect reliability of the Entergy Transmission System and there is insufficient time to coordinate with the ICT or for the ICT to act itself.

ATTACHMENT X

TRANSMISSION PROVIDER'S LOCAL AREA PROCEDURES

1. GENERAL

1.1 Division of Responsibilities

The purpose of this Attachment X is to describe the Local Area Procedures (LAP) that Transmission Provider will use to Curtail or Interrupt transmission service or redispatch generation to relieve a constraint where TLR Procedures (in conjunction with the mechanism described in Sections 14.7(a) and 33.4(a) of the Tariff) will not effectively relieve the constraint, as determined pursuant to the standards set forth in Sections 14.7(b), 14.7(c), 33.4(b), and 33.4(c) of the Tariff.

The division of responsibilities between Transmission Provider and the ICT in performing duties related to the procedures described herein is controlled by Attachment S to the Tariff, including the ICT Reliability Protocol appended to Attachment S. When implementing the specific curtailments and redispatch actions described in Section 2 below, the ICT and Transmission Provider will further coordinate as follows:

i. Transmission Provider is responsible for directly notifying generators that operate within the Transmission Provider's Control Area of each generator's specific curtailment and redispatch obligations. Transmission Provider is also responsible for notifying the ICT of the curtailment and redispatch obligations applicable to generators that operate in generation-only Control Areas. After receiving such notice from Transmission Provider, the ICT is responsible for directly notifying the Reliability Coordinator for any generator that operates in generation-only Control Area in sufficient time for that Reliability Coordinator to require the generator to make the necessary adjustment to its schedule(s) or output.

ii. In the event that Transmission Provider determines that an emergency situation or other reliability problem requires immediate action to implement the procedures set out in Steps 1 through 7 in a timely fashion and that there must be direct communication with a generator or Transmission Customer, Transmission Provider may communicate directly with the generator or Transmission Customer in order to implement such procedures. The Transmission Provider's authority to communicate directly is derived from Section 3.2.2 of the Independent Coordinator of Transmission Reliability Coordinator Protocol, which allows the Transmission Provider to take action immediately necessary to protect reliability of the Entergy Transmission System in situations where there is insufficient time to coordinate with the ICT or for the ICT to act itself.

1.2 Definitions

Capitalized terms used herein are defined in Section 1 and Attachment M (Source and Sink) of the Tariff and NAESB OASIS Standard-WEQ-001-2.2 (Firm and Non-Firm). Additional capitalized terms used herein are defined below solely for purposes of this Attachment X.

Generator Shift Factor or GSF: A factor that is calculated by performing a GSF power flow study (which will be saved and uploaded) using a reliability model that is updated with real-time topology (i.e., data on transmission facilities in-service and generating facilities that are committed to operate and are on-line), to be applied to a generator's expected change in output to determine the amount of flow contribution that change in output by such generator will impose on an identified transmission facility or flowgate.

ICT: The Independent Coordinator of Transmission defined in Attachment S to the Tariff.

NERC: The North American Electric Reliability Corporation in its role as the Electric Reliability Organization.

PTP Service: Point-to-Point Transmission Service.

Qualifying Facility or QF: A cogeneration or small production facility that meets criteria established in the Public Utility Regulatory Policies Act of 1978 and the Commission's implementing regulations in 18 CFR Part 292.

Secondary Network Service: Secondary Network Service provided on a non-firm basis pursuant to Section 28.4 of the Tariff.

Service Priority: The priority of a transmission service. The eight "Service Priorities" correspond to the "Transmission Service Priorities" set out in the TLR Procedures.

Priority	Service
0	Next-Hour Market Service
1	Service over Secondary points of receipt or delivery
2	Non-Firm PTP Hourly Service
3	Non-Firm PTP Daily Service
4	Non-Firm PTP Weekly Service
5	Non-Firm PTP Monthly Service
6	Secondary Network Service
7	Firm PTP Service, Network Service from designated network resources

TLR Procedures: NERC's Transmission Loading Relief Procedures referenced in Attachment J.

Transmission Provider: As used in this Attachment X, Entergy Services, Inc., as agent for Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc.

1.3 Applicability

All generators interconnected exclusively to Transmission Provider's Transmission System, including generators that operate within their own generation-only Control Areas, will be subject to the LAP as specified below. Generators that are not exclusively interconnected to Transmission Provider's Transmission System (*i.e.*, generators that are directly interconnected to both Transmission Provider's Transmission System and the transmission system of a different Transmission Provider) are subject to the LAP only if located in Transmission Provider's Control Area.

In the event of a Transmission System emergency, if Transmission Provider determines that immediate emergency action is required, Transmission Provider shall not be required to implement LAP Steps 1-7, provided that such emergency procedures shall be discontinued as soon as Transmission Provider and the ICT reasonably determine that it is appropriate to begin implementing the LAP.

1.4 Information Regarding Local Area Procedures

Once the ICT has identified a constraint that must be resolved with LAP, the ICT posts on OASIS notice of Transmission Provider's implementation of the LAP. In accordance with NAESB Business Practice Standards, Transmission Provider posts the information required under 18 C.F.R. Sections 37.6(a)(4) and 37.6(e)(3) for Curtailments or Interruptions of posted transactions that are implemented under the LAP.

2. LOCAL AREA PROCEDURES

If the ICT determines, pursuant to Sections 14.7 and 33.4 of the Tariff, that a constraint must be resolved with the LAP and the Transmission Provider takes action under the LAP, the Transmission Provider will notify the ICT to make a posting on OASIS that the LAP have been implemented to resolve a constraint. Transmission Provider will also post the information required under Section 37.6(e)(3) for Curtailments or Interruptions implemented under the LAP. Curtailment and Interruptions under the LAP are implemented in accordance with the priorities established in the Tariff and included in the TLR Procedures.

Transmission Provider will implement Curtailments and Interruptions subject to the LAP by following the steps listed below. Transmission Provider will only move to the next step if it determines that the previous step has not appropriately mitigated the constraint.

Step 1. On a *pro rata* basis, Transmission Provider will curtail all Non-Firm PTP schedules with a Service Priority of 0-5 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. Schedules of each Service Priority will be curtailed in order of priority (i.e., 0, 1, 2, etc.) and will only be curtailed if curtailment of the lower Service Priority schedules will not remedy the constraint. Schedules of each Service Priority will be curtailed in their entirety before schedules of the next higher Service Priority are curtailed.

Step 2. On a *pro rata* basis, Transmission Provider will curtail all Secondary Network Service schedules with a Service Priority of 6 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. For purposes of calculating a Network Customer's *pro rata* share of curtailment responsibility for Secondary

Network Service schedules, unscheduled energy sourced from non Network Resource generators for delivery to the Network Customer's Network Load will be treated as having a Service Priority of 6 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. For purposes of calculating Transmission Provider's *pro rata* share of curtailment responsibility for Secondary Network Service schedules, unscheduled energy sourced from QFs or other non Network Resource generators for delivery to the Transmission Provider's Native Load Customers will be treated as having a Service Priority of 6 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate.

- In lieu of curtailing unscheduled deliveries from QFs to Transmission Provider's Native Load Customers, Transmission Provider may redispatch Transmission Provider Network Resources to relieve the constraint to the same extent that curtailment of the unscheduled QF deliveries would have relieved the constraint, provided that there is sufficient time to determine that the entity responsible for serving Transmission Provider's Native Load Customers will not be required to purchase electric energy during any period during which, due to operational circumstances, continuing to purchase from the QF will result in costs greater that those which Transmission Provider would incur if it did not make such purchases.
- In the event that Secondary Network Service schedules or unscheduled deliveries to Transmission Provider's Native Load Customers from a QF are curtailed under this Step 2, the QF must reduce its output to reflect such curtailments, provided that such curtailments shall not require the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.

Step 3. The Transmission Provider will reconfigure its Transmission System to mitigate the constraint.

Step 4. On a *pro rata* basis, Transmission Provider will curtail Firm PTP schedules and redispatch Network Resource schedules with a Service Priority of 7 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. For purposes of calculating a Network Customer's *pro rata* share of redispatch, unscheduled deliveries from Network Customer's Network Resource generators for delivery to the Network Customer's Network Load will be treated as having a Service Priority of 7 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate For purposes of calculating Transmission Provider's *pro rata* share of redispatch, unscheduled deliveries from Transmission Provider Network Resources (including nuclear generators) to Transmission Provider's Native Load Customers will be treated as having a Service Priority of 7 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate.

- In lieu of redispatching a nuclear generator, Transmission Provider will redispatch or curtail schedules from other Network Resources that have been designated by the Transmission Provider or Transmission Provider secondary resources to the same extent

(or as close to the same extent as possible) that redispatching the nuclear generator would have relieved the constraint.

- In the event that Firm PTP or Network Resource schedules from a QF are curtailed/redispatched under this Step 4, the QF must reduce its actual output to reflect such curtailments and redispatch directives, provided that such curtailments and redispatch directives shall not require the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.

Step 5. If Steps 1-4 are unable to provide the necessary relief, before moving to Step 6, the Transmission Provider will contact the ICT to discuss additional mitigation options available.

Step 6. Transmission Provider will repeat Steps 1, 2, and 4 utilizing a 1.5% GSF in lieu of a 3.0% GSF. All other aspects of Steps 1, 2, and 4 will remain the same.

Step 7. On a *pro rata* basis, Transmission Provider will curtail and/or redispatch any remaining schedules and unscheduled deliveries sourced from a nuclear generator or QF having a GSF equal to or greater than 1.5% that adversely impacts the constrained flowgate, even if such curtailments and redispatch directives would require the nuclear plant to reduce its output or would require the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.

If the constraint is not appropriately mitigated after successful completion of the LAP Steps 1-7, the Transmission Provider will take any necessary action to maintain system reliability, including any actions required by the applicable Reliability Standards.

Once Transmission Provider determines that a constraint has been appropriately mitigated, Transmission Provider will begin implementing restoration of all impacted schedules and unscheduled deliveries based on Service Priority, *i.e.,* with schedules and unscheduled deliveries having a higher Service Priority being restored before those with a lower Service Priority. Schedules and unscheduled deliveries may be reinstated to their original levels only to the extent that Transmission Provider determines that such levels will not cause the constraint to recur.

ATTACHMENT B

FERC ELECTRIC TARIFF THIRD REVISED VOLUME NO. 3
REDLINED TARIFF SHEETS

14.7 Curtailment or Interruption of Service:

(a) 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, (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

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be subordinate to Firm Transmission Service. The Transmission Provider will follow the NERC Transmission Loading Relief Procedures ("NERC TLR Procedures") currently in effect and accepted by FERC where the NERC TLR Procedures would effectively relieve the constraint. In addition, as described in the Transmission Provider's business practices, where Non-Firm Point-to-Point Transmission Service, Secondary Service under Section 28.4 or other non-firm transmission service transactions (i) are contributing to the constraint and (ii) would not be Interrupted or Curtailed under the NERC TLR Procedures, the Transmission Provider will Interrupt and/or Curtail such transmission service transactions prior to Curtailing and/or Interrupting Firm Transmission Service. 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.

(b) After the effective date of Attachment X, the Transmission Provider determines whether the NERC TLR Procedures will effectively relieve the constraint by evaluating the extent to which Interchange Transactions are contributing to the constraint. If ten percent (10%) or more of the power flows causing the constraint are attributable to Interchange Transactions, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 14.7(a). If less than ten percent (10%) of such flows are attributable to Interchange Transactions, the Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint.

(c) After the effective date of Attachment X, notwithstanding the ten percent (10%) threshold in Section 14.7(b), if the Transmission Provider determines that the constraint can only be relieved by the NERC TLR Procedures, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 14.7(a); if the Transmission Provider determines that the constraint cannot be relieved by the NERC TLR Procedures, the

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Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint. If the constraint is not relieved after using the NERC TLR Procedures, the Local Area Procedures, or both procedures, nothing in this Section 14.7 prevents the Transmission Provider from taking any other action necessary to protect reliability of the Transmission System.

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.

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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, (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.

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:

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(a) 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 NERC TLR Procedures specified in

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Attachment J. The Transmission Provider will follow the NERC TLR Procedures currently in effect and accepted by FERC where the NERC TLR Procedures would effectively relieve the constraint. In addition, as described in the Transmission Provider's business practices, where Non-Firm Point-to-Point Transmission Service, Secondary Service under Section 28.4 or other non-firm transmission service transactions (i) are contributing to the constraint and (ii) would not be Interrupted or Curtailed under the NERC TLR Procedures, the Transmission Provider will Interrupt and/or Curtail such transmission service transactions prior to Curtailing and/or Interrupting Firm Transmission Service. 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.

(b) After the effective date of Attachment X, the Transmission Provider determines whether the NERC TLR Procedures will effectively relieve the constraint by evaluating the extent to which Interchange Transactions are contributing to the constraint. If ten percent (10%) or more of the power flows causing the constraint are attributable to Interchange Transactions, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 33.4(a). If less than ten percent (10%) of such flows are attributable to Interchange Transactions, the Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint.

(c) After the effective date of Attachment X, notwithstanding the ten percent (10%) threshold in Section 33.4(b), if the Transmission Provider determines that the constraint can only be relieved by the NERC TLR Procedures, the Transmission Provider will use the NERC TLR Procedures to relieve the constraint in conjunction with the mechanism described in Section 33.4(a); if the Transmission Provider determines that the constraint cannot be relieved by the NERC TLR Procedures, the Transmission Provider will use the Local Area Procedures set forth in Attachment X to relieve the constraint. If the constraint is not relieved after using the NERC TLR Procedures, the Local Area Procedures, or both procedures, nothing in this Section 33.4 prevents the Transmission Provider from taking any other action necessary to protect reliability of the Transmission System.

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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.

Deleted: 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.¶

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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,

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Electric Reliability Organization (ERO) or SERC as a Regional Reliability Organization (RRO). The NERC EEA and TLR Procedures are two examples of NERC Standards.

2.5. NERC TLR Procedures shall mean the Transmission Loading Relief procedures adopted by NERC as Standard IRO-006-1 or its successor.

3. Overview of Responsibilities and Authorities The general division of responsibility and authority between the ICT Reliability Coordinator and the Transmission Provider shall comply with NERC Standard IRO-001-0 or its successor and Section 3 of this protocol. The specific division of responsibilities and authorities with respect to Operations Planning, Current-Day Operations, and Emergency Operations shall also comply with the applicable NERC Standards and are described in Sections 4-6 of this protocol.

3.1. ICT Reliability Coordinator

3.1.1. The ICT will serve as the Reliability Coordinator for the ICT Reliability Area and will be responsible for bulk transmission reliability for the ICT Reliability Area. The ICT will perform all functions identified for Reliability Coordinators consistent with the NERC Standards, the ICT Reliability Plan and this protocol. The ICT will execute coordination agreements and share data with adjacent Reliability Coordinators as necessary to support Reliability Coordinator functions under NERC Standards.

3.1.2. The ICT shall have clear decision-making authority to act and direct actions to be taken by the entities in the ICT Reliability Area to preserve the integrity and reliability of the Bulk Electric System. The ICT may direct these entities to redispatch generation, reconfigure transmission, modify transmission maintenance and outage schedules, or reduce load to mitigate critical conditions to return the system to a reliable state. The ICT may utilize all resources, as appropriate, to address potential or actual violations of NERC's Interconnected Reliability Operating Limits (IROL), System Operating Limits (SOL), Control Performance Standards (CPS), and Disturbance Control Standards (DCS), as defined in the NERC Standards. The ICT will have sole authority to implement the NERC TLR and EEA Procedures.

3.2. Transmission Provider

3.2.1. The Transmission Provider will serve as the Balancing Authority Area, Transmission Owner and Transmission Operator for the Entergy Transmission System and, subject to the authority of the ICT, will be responsible for bulk transmission reliability for the Entergy Transmission System. The

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Transmission Provider will perform all functions identified for Balancing Authority Areas and Transmission Operators as set forth in the NERC Standards, including receiving, confirming and implementing Interchange Schedules and other transmission service schedules, subject to the ICT's authority to direct changes to such schedules. In accordance with Section 6 of Attachment S, the Transmission Provider will provide the ICT with any data or information the ICT deems necessary to perform the Reliability Coordinator functions identified in this protocol and the NERC Standards.

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3.2.2. The Transmission Provider will have authority to address emergency situations and reliability problems with respect to the Entergy Transmission System, through its roles as Balancing Authority, Transmission Operator, and Transmission Provider under the Tariff. The Transmission Provider will coordinate any reliability-related actions with the ICT in the first instance; provided, however, that nothing in this protocol prevents the Transmission Provider from taking action immediately necessary to protect reliability of the Entergy Transmission System in situations where there is insufficient time to coordinate with the ICT or for the ICT to act itself. The Transmission Provider's authority under such circumstances will be limited to taking actions that involve generation and transmission facilities that fall within the Transmission Provider's authority under this Tariff, including the dispatch of Network Resources, or other applicable agreements or tariffs or the NERC Standards.

3.3. Obligation to Comply with ICT Reliability Coordinator Directives The Transmission Provider and all Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing and Selling Entities in the ICT Reliability Area shall comply with the ICT's Reliability Coordinator directives, unless such actions would violate safety, equipment, or regulatory or statutory requirements. Under these circumstances, the non-complying entity shall immediately inform the ICT of the inability to perform the directive so that the ICT may implement alternative remedial actions.

4. Operations Planning

4.1. ICT Duties and Responsibilities The ICT's responsibility with respect to Operations Planning shall include the following:

4.1.1. Perform next-day reliability analyses to identify potential IROL and SOL violations and analyze expected peak system conditions including thermal, voltage and stability related analyses;

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6.1.5. Direct any Balancing Authority to minimize its ACE to comply with NERC Standards, including when its ACE is contributing to a significant frequency deviation or other emergency condition;

6.1.6. Implement any other mitigation procedures as necessary to address imminent IROL, SOL, CPS or DCS violations;

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6.1.7. Coordinate all reliability-related actions and procedures, including System Restoration Plans under NERC Standard EOP-006-0 (or it successor), with the Transmission Provider, Reliability Coordinators, Transmission Operators, and Balancing Authorities as necessary; and

6.1.8. Determine whether the NERC TLR Procedures described in Attachment J or the Local Area Procedures described in Attachment X should be used to relieve a constraint pursuant to Sections 14.7(b), 14.7(c), 33.4(b), and 33.4(c) of the Tariff.

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6.2. Transmission Provider Duties and Responsibilities The Transmission Provider's responsibility with respect to Emergency Operations shall include the following:

6.2.1. Request the ICT to implement the appropriate NERC TLR Procedures or EEA Procedures as a mitigation measure for resolving potential or actual SOL or IROL violations;

6.2.2. Assist the ICT with identification of potential local area procedures to be used to respond to potential or actual SOL or IROL violations;

6.2.3. Implement the Local Area Procedures described in Attachment X where the ICT determines that such procedures should be used in combination with or in lieu of the NERC TLR Procedures;

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6.2.4. Implement the Transmission Provider's System Restoration Plan in coordination with the ICT; and

6.2.5. Take any action a Balancing Authority or Transmission Operator is allowed to take under NERC Standards, or any action the Transmission Provider is allowed to take under the Tariff, where such action is immediately necessary to protect reliability of the Entergy Transmission System and there is insufficient time to coordinate with the ICT or for the ICT to act itself.

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ATTACHMENT X

TRANSMISSION PROVIDER'S LOCAL AREA PROCEDURES

1. GENERAL

1.1 Division of Responsibilities

The purpose of this Attachment X is to describe the Local Area Procedures (LAP) that Transmission Provider will use to Curtail or Interrupt transmission service or redispatch generation to relieve a constraint where TLR Procedures (in conjunction with the mechanism described in Sections 14.7(a) and 33.4(a) of the Tariff) will not effectively relieve the constraint, as determined pursuant to the standards set forth in Sections 14.7(b), 14.7(c), 33.4(b), and 33.4(c) of the Tariff.

The division of responsibilities between Transmission Provider and the ICT in performing duties related to the procedures described herein is controlled by Attachment S to the Tariff, including the ICT Reliability Protocol appended to Attachment S. When implementing the specific curtailments and redispatch actions described in Section 2 below, the ICT and Transmission Provider will further coordinate as follows:

i. Transmission Provider is responsible for directly notifying generators that operate within the Transmission Provider's Control Area of each generator's specific curtailment and redispatch obligations. Transmission Provider is also responsible for notifying the ICT of the curtailment and redispatch obligations applicable to generators that operate in generation-only Control Areas. After receiving such notice from Transmission Provider, the ICT is responsible for directly notifying the Reliability Coordinator for any generator that operates in generation-only Control Area in sufficient time for that Reliability Coordinator to require the generator to make the necessary adjustment to its schedule(s) or output.

ii. In the event that Transmission Provider determines that an emergency situation or other reliability problem requires immediate action to implement the procedures set out in Steps 1 through 7 in a timely fashion and that there must be direct communication with a generator or Transmission Customer, Transmission Provider may communicate directly with the generator or Transmission Customer in order to implement such procedures. The Transmission Provider's authority to communicate directly is derived from Section 3.2.2 of the Independent Coordinator of Transmission Reliability Coordinator Protocol, which allows the Transmission Provider to take action immediately necessary to protect reliability of the Entergy Transmission System in situations where there is insufficient time to coordinate with the ICT or for the ICT to act itself.

1.2 Definitions

Capitalized terms used herein are defined in Section 1 and Attachment M (Source and Sink) of the Tariff and NAESB OASIS Standard-WEQ-001-2.2 (Firm and Non-Firm). Additional capitalized terms used herein are defined below solely for purposes of this Attachment X.

Generator Shift Factor or GSF: A factor that is calculated by performing a GSF power flow study (which will be saved and uploaded) using a reliability model that is updated with real-time topology (i.e., data on transmission facilities in-service and generating facilities that are committed to operate and are on-line), to be applied to a generator's expected change in output to determine the amount of flow contribution that change in output by such generator will impose on an identified transmission facility or flowgate.

ICT: The Independent Coordinator of Transmission defined in Attachment S to the Tariff.

NERC: The North American Electric Reliability Corporation in its role as the Electric Reliability Organization.

PTP Service: Point-to-Point Transmission Service.

Qualifying Facility or QF: A cogeneration or small production facility that meets criteria established in the Public Utility Regulatory Policies Act of 1978 and the Commission's implementing regulations in 18 CFR Part 292.

Secondary Network Service: Secondary Network Service provided on a non-firm basis pursuant to Section 28.4 of the Tariff.

Service Priority: The priority of a transmission service. The eight "Service Priorities" correspond to the "Transmission Service Priorities" set out in the TLR Procedures.

Priority	Service
0	Next-Hour Market Service
1	Service over Secondary points of receipt or delivery
2	Non-Firm PTP Hourly Service
3	Non-Firm PTP Daily Service
4	Non-Firm PTP Weekly Service
5	Non-Firm PTP Monthly Service
6	Secondary Network Service
7	Firm PTP Service, Network Service from designated network resources

TLR Procedures: NERC's Transmission Loading Relief Procedures referenced in Attachment J.

Transmission Provider: As used in this Attachment X, Entergy Services, Inc., as agent for Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc.

1.3 Applicability

All generators interconnected exclusively to Transmission Provider's Transmission System, including generators that operate within their own generation-only Control Areas, will be subject to the LAP as specified below. Generators that are not exclusively interconnected to Transmission Provider's Transmission System (*i.e.*, generators that are directly interconnected to both Transmission Provider's Transmission System and the transmission system of a different Transmission Provider) are subject to the LAP only if located in Transmission Provider's Control Area.

In the event of a Transmission System emergency, if Transmission Provider determines that immediate emergency action is required, Transmission Provider shall not be required to implement LAP Steps 1-7, provided that such emergency procedures shall be discontinued as soon as Transmission Provider and the ICT reasonably determine that it is appropriate to begin implementing the LAP.

1.4 Information Regarding Local Area Procedures

Once the ICT has identified a constraint that must be resolved with LAP, the ICT posts on OASIS notice of Transmission Provider's implementation of the LAP. In accordance with NAESB Business Practice Standards, Transmission Provider posts the information required under 18 C.F.R. Sections 37.6(a)(4) and 37.6(e)(3) for Curtailments or Interruptions of posted transactions that are implemented under the LAP.

2. LOCAL AREA PROCEDURES

If the ICT determines, pursuant to Sections 14.7 and 33.4 of the Tariff, that a constraint must be resolved with the LAP and the Transmission Provider takes action under the LAP, the Transmission Provider will notify the ICT to make a posting on OASIS that the LAP have been implemented to resolve a constraint. Transmission Provider will also post the information required under Section 37.6(e)(3) for Curtailments or Interruptions implemented under the LAP. Curtailment and Interruptions under the LAP are implemented in accordance with the priorities established in the Tariff and included in the TLR Procedures.

Transmission Provider will implement Curtailments and Interruptions subject to the LAP by following the steps listed below. Transmission Provider will only move to the next step if it determines that the previous step has not appropriately mitigated the constraint.

Step 1. On a *pro rata* basis, Transmission Provider will curtail all Non-Firm PTP schedules with a Service Priority of 0-5 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. Schedules of each Service Priority will be curtailed in order of priority (i.e., 0, 1, 2, etc.) and will only be curtailed if curtailment of the lower Service Priority schedules will not remedy the constraint. Schedules of each Service Priority will be curtailed in their entirety before schedules of the next higher Service Priority are curtailed.

Step 2. On a *pro rata* basis, Transmission Provider will curtail all Secondary Network Service schedules with a Service Priority of 6 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. For purposes of calculating a Network Customer's *pro rata* share of curtailment responsibility for Secondary

Network Service schedules, unscheduled energy sourced from non Network Resource generators for delivery to the Network Customer's Network Load will be treated as having a Service Priority of 6 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. For purposes of calculating Transmission Provider's *pro rata* share of curtailment responsibility for Secondary Network Service schedules, unscheduled energy sourced from QFs or other non Network Resource generators for delivery to the Transmission Provider's Native Load Customers will be treated as having a Service Priority of 6 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate.

- In lieu of curtailing unscheduled deliveries from QFs to Transmission Provider's Native Load Customers, Transmission Provider may redispatch Transmission Provider Network Resources to relieve the constraint to the same extent that curtailment of the unscheduled QF deliveries would have relieved the constraint, provided that there is sufficient time to determine that the entity responsible for serving Transmission Provider's Native Load Customers will not be required to purchase electric energy during any period during which, due to operational circumstances, continuing to purchase from the QF will result in costs greater that those which Transmission Provider would incur if it did not make such purchases.

- In the event that Secondary Network Service schedules or unscheduled deliveries to Transmission Provider's Native Load Customers from a QF are curtailed under this Step 2, the QF must reduce its output to reflect such curtailments, provided that such curtailments shall not require the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.

Step 3. The Transmission Provider will reconfigure its Transmission System to mitigate the constraint.

Step 4. On a *pro rata* basis, Transmission Provider will curtail Firm PTP schedules and redispatch Network Resource schedules with a Service Priority of 7 sourced from any generator with a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate. For purposes of calculating a Network Customer's *pro rata* share of redispatch, unscheduled deliveries from Network Customer's Network Resource generators for delivery to the Network Customer's Network Load will be treated as having a Service Priority of 7 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate For purposes of calculating Transmission Provider's *pro rata* share of redispatch, unscheduled deliveries from Transmission Provider Network Resources (including nuclear generators) to Transmission Provider's Native Load Customers will be treated as having a Service Priority of 7 and will be included in such calculations to the extent that the generator has a GSF equal to or greater than 3.0% that adversely impacts the constrained flowgate.

- In lieu of redispatching a nuclear generator, Transmission Provider will redispatch or curtail schedules from other Network Resources that have been designated by the Transmission Provider or Transmission Provider secondary resources to the same extent

(or as close to the same extent as possible) that redispatching the nuclear generator would have relieved the constraint.

- In the event that Firm PTP or Network Resource schedules from a QF are curtailed/redispatched under this Step 4, the QF must reduce its actual output to reflect such curtailments and redispatch directives, provided that such curtailments and redispatch directives shall not require the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.

Step 5. If Steps 1-4 are unable to provide the necessary relief, before moving to Step 6, the Transmission Provider will contact the ICT to discuss additional mitigation options available.

Step 6. Transmission Provider will repeat Steps 1, 2, and 4 utilizing a 1.5% GSF in lieu of a 3.0% GSF. All other aspects of Steps 1, 2, and 4 will remain the same.

Step 7. On a *pro rata* basis, Transmission Provider will curtail and/or redispatch any remaining schedules and unscheduled deliveries sourced from a nuclear generator or QF having a GSF equal to or greater than 1.5% that adversely impacts the constrained flowgate, even if such curtailments and redispatch directives would require the nuclear plant to reduce its output or would require the QF output to go below the minimum run level necessary to maintain the QF's other industrial or commercial processes unrelated to the generation of electric energy.

If the constraint is not appropriately mitigated after successful completion of the LAP Steps 1-7, the Transmission Provider will take any necessary action to maintain system reliability, including any actions required by the applicable Reliability Standards.

Once Transmission Provider determines that a constraint has been appropriately mitigated, Transmission Provider will begin implementing restoration of all impacted schedules and unscheduled deliveries based on Service Priority, *i.e.*, with schedules and unscheduled deliveries having a higher Service Priority being restored before those with a lower Service Priority. Schedules and unscheduled deliveries may be reinstated to their original levels only to the extent that Transmission Provider determines that such levels will not cause the constraint to recur.

ATTACHMENT C

NEW BUSINESS PRACTICE

BUSINESS PRACTICE TO IMPLEMENT INTERRUPTIONS AND/OR CURTAILMENTS UNDER OATT SECTIONS 14.7 AND 33.4

As provided for in Section 14.7(a) and 33.4(a) of Transmission Provider's Tariff, in conjunction with the implementation of NERC's TLR Procedures, the Reliability Coordinator for the Transmission Provider's Balancing Authority Area shall execute the additional steps set out below to relieve transmission line loading on the Transmission System. Once the ICT has identified a constraint that must be resolved with NERC's TLR Procedures, the ICT posts on OASIS notice of Transmission Provider's intent to implement NERC's TLR Procedures, which notice will mean that this business practice is also being implemented. In accordance with NAESB Business Practice Standards, Transmission Provider posts the information required under 18 C.F.R. Sections 37.6(a)(4) and 37.6(e)(3) for Curtailments or Interruptions of posted transactions.

1. In the event that the Reliability Coordinator issues a TLR Level 3 because one or more of the Transmission Provider's transmission facilities are expected to approach or are approaching their System Operating Limit ("SOL") or Interconnection Reliability Operating Limit ("IROL"), such facilities referred to as "Constrained Facilities," the Reliability Coordinator shall identify each generator within the Transmission Provider's Balancing Authority Area with a 5% or greater Generator Shift Factor on the Constrained Facilities.

2. For any generator identified in Step 1, the Reliability Coordinator shall next identify whether, for the current or following hour, such generator is to be delivered within the Transmission Provider's Balancing Authority Area by (i) any Transmission Customer, including the entity responsible for serving the Transmission Provider's Native Load Customers, under Secondary Service (as defined in Section 28.4 of the Tariff); (ii) any Transmission Customer using Non-Firm Point-to-Point Transmission Service; or (iii) any grandfathered pre-Order No. 888 transmission customer that has arranged non-firm transmission service. Any such deliveries shall be referred to as "Affected Deliveries."

3. In the event that the Reliability Coordinator issues a TLR Level 4 to reconfigure transmission, the Reliability Coordinator shall provide notice to the Transmission Provider requiring the Transmission Provider to curtail all Affected Deliveries. The curtailment of such Affected Deliveries shall be in addition to any Transmission System reconfiguration undertaken by Transmission Provider in response to the Reliability Coordinator's issuance of the TLR Level 4.

4. The curtailment of Affected Deliveries shall be for the current hour and shall continue for each subsequent TLR Level 4 issuance and during any TLR Level 5 issued by the Reliability Coordinator. Any Affected Deliveries for the following hour may not begin until the TLR Level 4 or Level 5 is released.