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2007 APR -9 P 4: 54

FEDERAL ENERGY
REGULATORY COMMISSION

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April 9, 2007

BY HAND DELIVERY

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

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

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") April 24, 2006 Order in *Entergy Services, Inc.*, 116 FERC ¶ 61,095 (2006) ("April 24 Order"), Entergy Services, Inc., acting as agent for the Entergy Operating Companies,¹ hereby notifies the Commission that certain RFCALC software issues may have resulted in inaccurate Available Flowgate Capacity ("AFC") data in connection with non-firm transmission service.

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

Software Error

In the Operating Horizon (Day 1 to Day 2), non-firm AFC values for each flowgate are calculated by the OASIS Automation ("OA") software, which uses Response Factors and base

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

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flow calculated by the RFCALC software. Response factors measure the impact (*i.e.*, the incremental loading) that each source-to-sink transaction has on a monitored flowgate. Entergy uses three different configurations to model the generators representing sources in these calculations. The errors described below occurred only when the RFCALC software used Type B, Generator Specific Modeling, which applies to plants with generators connected at different kV levels on the transmission bus or to sources with multiple generators belonging to multiple plants or control areas.

On March 23, 2007, Entergy discovered that, in a rare combination of circumstances, RFCALC failed to calculate the top 15 impacted flowgates for certain Type B sources, which could result in higher AFC values for transactions sourced out of Type B resources than that actually available for non-firm transmission service in the Operating Horizon. This error occurred only when all generators at a particular modeled source were off-line and then at least one of the generators was placed back into service during the Operating Horizon. When generators are off-line, RFCALC properly lists only proxy flowgates to protect maximum plant ratings and contract path limits. However, when the combination of events above occurred, RFCALC failed to recognize that a generator came back on-line and continued to utilize only the proxy flowgates rather than the top 15 impacted flowgates for evaluating non-firm transmission service requests in the Operating Horizon.

Cause of Erroneous Calculations and Corrective Action

Through its investigation of the problem, Entergy concluded that the erroneous RFCALC behavior was due to an AREVA software logic error existing since RFCALC software implementation. Entergy promptly corrected the issue on March 23, 2007 by modifying a configuration parameter in RFCALC.

Effect of Erroneous Calculations

Because of the combination of circumstances required for the error to occur, any impact was limited. For example, the error only occurred when the Type B modeling configuration was utilized. Prior to November 27, 2006, only 20 of a total 110 sources were modeled as Type B and, thus, the potential for error existed for only those 20 sources. Although the number of resources modeled as Type B resources increased after that date,² the potential for the software error to impact AFC values was further limited by the fact that it occurred only when all generators at a particular modeled source were off-line and then at least one of the generators was placed back into service during the Operating Horizon. Even assuming that a source

² On November 28, 2006, in preparation for the Weekly Procurement Process ("WPP"), Entergy converted Type A sources to Type B, which increased the total to 92 Type B sources. The increased number of Type B sources were exposed to the possibility (where the other conditions were met) of erroneous AFC calculations for non-firm service only during the period from November 28, 2006 to March 23, 2007.

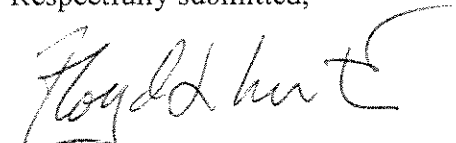
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modeled as Type B experienced those specific circumstances, the software error would have impacted only non-firm AFC values calculated for a limited 32-hour period of time during the Operating Horizon. The Operating Horizon includes all hours after noon of the current day and all hours of next day; thus, the Operating Horizon includes a maximum of 36 hours. The errors described above only occurred from Hour Four (4) to the end of Operating Horizon. Entergy does not offer firm transmission service during the Operating Horizon, which means that only non-firm AFC values would have been affected.

For an actual transmission service request to be affected by the software error, not only would all of the circumstances described above have to be present, but a customer also would have had to submit a non-firm transmission service request from the particular source in question and that request would need to have been evaluated during the period when the error existed. Finally, even if such a service request had been submitted and evaluated during the relevant period, the result of the software error would have been to show more non-firm AFC than actually existed. Therefore, no customer would have been erroneously denied service; any error would have resulted in an overselling of service, subject to each plant's physical capacity limitations and contract path limits represented by the proxy flowgates. However, Entergy has not identified increased Transmission Loading Relief ("TLR") activity during this timeframe.

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

Respectfully submitted,




Floyd L. Norton, IV

Attorney for
Entergy Services, Inc.

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

CERTIFICATE OF SERVICE

I hereby certify that I have, this 9th day of April, 2007, served the foregoing document upon the Southwest Power Pool, Inc., the ICT Users Group, and each person designated on the official service list compiled by the Secretary in this proceeding.


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