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July 25, 2007

VIA ELECTRONIC FILING

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

Re: Entergy Services, Inc.; Docket No. ER05-1065-000
Report of OASIS-Related Errors

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") April 24, 2006 Order in *Entergy Services, Inc.*, 115 FERC ¶ 61,095 (2006) ("April 24 Order"), Entergy Services, Inc., acting as agent for the Entergy Operating Companies,[1] hereby notifies the Commission it has recently became aware of certain OASIS function issues that may have resulted in the mismanagement of data.

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

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[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."

Issue 1: Inability to Compile Certain Archive Files and Models

On July 10, 2007, Entergy became aware that its server function was operating extremely slowly due to abnormal communications traffic from the network, which consumed a far greater share of available server resources than normal. This excessive use of server resources by abnormal network traffic caused RFCALC[2] operations to be performed more slowly than is typical. While Entergy regularly updates the posting of powerflow models and some files created by Operating Horizon re-synchronizations on an hourly basis, the system was operating so slowly on July 10, 2007 that not all of the Operating Horizon postings were updated as usual. The slow server problem persisted from approximately 9:00 am to 9:00 pm on July 10, 2007.

When Entergy experiences a slow server issue, its standard procedure is to place the "backup" server into service as the primary server while the original "primary" server goes to an offline state so that Entergy personnel may assess and troubleshoot any problems. Despite the implementation of this process on July 10, 2007, the source of the slow server function for the original primary server (increased communications traffic) also caused the second server to function slowly. Around 9:00 pm, the servers resumed functioning normally. Entergy notes that throughout these server function issues, OASIS Automation ("OA") continued to function normally. Since OA is designed to reflect the impact of Transmission Service Request ("TSR") transactions on Available Flowgate Capacity ("AFC") between resynchronizations, the absence of regular hourly resynchronizations did not affect OA's performance on July 10, 2007.

While no contemporaneous data was lost as a result of the slow server function, because RFCalc was taking an unusually long time to compute, some archive files and models were never created for July 10, 2007. These logs are created in real-time and are a function of the performance of Entergy's server at that given point in time. Since it is impossible to determine the exact status of the server on July 10, 2007, when those logs and archive files should have been created, Entergy cannot create the missing archive files and models.

Issue 2: Improper Configuration of Certain Flowgates

On July 13, 2007, Entergy became aware that the flowgate model in production contained an unintended configuration: the flow direction on eight flowgates for the Amite South import area was configured in the reverse direction. The model containing the erroneous configuration was placed into service inadvertently on July 10, 2007 when the "backup" server became active as the primary server.

The problem arose because, as part of routine database/model update responsibilities, Entergy had implemented changes to the flowgate model in support of an ongoing WPP project. The

[2] RFCALC is software utilized by Entergy to compute AFCs on flowgates. The software was developed by AREVA.

WPP input system required specification of the interface directed into Amite South to better interpret thermal import constraints for the Amite South load pocket. Consequently, changes were made to the network model which modified the direction of some transmission lines that define the Amite South import interface. The flowgate model needed to be synchronized with the network model, thus modifications were made to the flowgate model to keep the flowgate directions correct with the modified network model. The new network model was deployed on the primary and secondary production servers; however, the correct flowgate model was only deployed on the primary server. This caused the direction for eight flowgates to be reversed on the "backup" server. Thus when the secondary "backup" server assumed the primary role for Entergy on July 10, 2007, this older version of the flowgate model was improperly placed into service. This error continued until the flowgate issue was discovered and corrected on July 13, 2007.

The improper modeling of flowgate direction on certain flowgates in the Amite South load pocket resulted in higher available flowgate capacity than the physical system could support. This could have resulted in the improper granting of transmission service on some transfer paths in the Amite South load pocket. Additional data analysis suggests that of the eight improperly modeled flowgates, only six flowgate paths are potentially impacted. The other two flowgates are limited by additional correctly-modeled flowgates and thus their improper modeling would not result in an inappropriate granting of service. However, none of the eight flowgates has had a Transmission Loading Relief Procedure ("TLR") called since the improper model went into production on July 10, 2007. In the event a TLR occurs involving any of these flowgates, that TLR will be evaluated to ascertain if it resulted from this error. Other system conditions wholly unrelated to the improper modeling issue could potentially give rise to a TLR.

Analysis

Relative to Issue 1, the inability to compile archive files and models was wholly related to the slow server function of July 10, 2007 and has not occurred since. The increased network traffic experienced on July 10, 2007 persisted even after the servers were switched and rebooted; accordingly, Entergy believes that the root cause of the problem was external. Entergy's investigations of this external phenomenon have been inconclusive so far, but, as Entergy noted earlier, the problem has not recurred.

Relative to Issue 2, the inadvertent implementation of an improper model relative to eight flowgates in Amite South was caused by a human error (leaving a superseded model on the "backup" server). It became a reportable incident due to the need to activate the "backup" server as the primary server on July 10, 2007 to rectify issues Entergy had identified in its system, specifically slow server function. Entergy is reviewing its internal policies for maintaining the "backup" server to reduce the likelihood of a test flowgate model remaining on the server and to ensure that the "backup" server is truly redundant.

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

Respectfully submitted,

/s/ Floyd L. Norton, IV

Floyd L. Norton
Attorney for
Entergy Services, Inc.

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

CERTIFICATE OF SERVICE

I hereby certify that I have this 25th day of July, 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.

/s/ Kevin C. Frank

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