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October 11, 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 become aware of OASIS issues involving 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. ("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. Accordingly, Entergy submits the following explanation of recently discovered software issues involving the Available Flowgate Capacity ("AFC") calculations in the Study Horizon and load forecasting in the Planning Horizon.

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."

Counterflow Calculations in the Study Horizon

Entergy may adjust the Base Flow associated with a particular flowgate by removing a percentage of counterflow impact in the calculation of AFC values. In its Operating and Planning Horizons, Entergy includes 100% of counterflow in AFC calculations; all possible counterflows are factored in and allowed to reduce transmission line loading. This assumption results in the granting of additional transmission service that would otherwise not be allowable.

In its Study Horizon (Months 2-18), Entergy intends to remove 50% of counterflow impacts in AFC calculations.² Greater uncertainty in system conditions outside of the Operating and Planning Horizon coupled with a lower percentage of transmission service requests actually scheduling service warrants more conservative counterflow assumptions.

On September 26, 2007, Entergy became aware that when PowerGem, the software developer that developed the software used to calculate AFC values in the Study Horizon, created the software at issue in this filing, it included a coding error that increased the impact of counterflow by 50% instead of reducing the impact of counterflow by 50%. The software in question is proprietary, and only PowerGem employees may review the code.

Working with PowerGem employees, Entergy staff confirmed that the software programming error resulted in the modeling of 150% of counterflow impacts in all Study Horizon AFC calculations, rather than 50%. PowerGem has identified the error in the code, fixed the software, and provided a new version of the software to Entergy. The corrected software has been tested and is now in use. PowerGem is still developing documentation of the error and the changes that have been made to the software since it was first used. PowerGem has confirmed that the error had been in place since at least September, 2004 and it is Entergy's belief, based on the review of output files, that the error was included when the counterflow calculation logic was first delivered to Entergy in March 2004.

RFLOADER Functions in the Planning Horizon

On September 28, 2007, the ICT contacted Entergy and questioned the load forecast for daily peak load for the Entergy control area for October 5, 2007 through October 8, 2007. The ICT believed that the daily peak load for those days was less than expected and that there was an abrupt drop in the peak load forecast for days 8 through 11 of the AFC Planning Horizon.

In response to the ICT's inquiries, Entergy discovered that, due to a software error, the RFLOADER software application was not properly processing the peak load for use in

² See Entergy Services, Inc. Third Revised Volume No. 3 Original Sheet No. 214, Section 4.6 for a description of the methodology Entergy uses to calculate counterflows in the Operating, Planning and Study Horizons.

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RFCALC. Rather than correctly identifying the peak hour within a day, RFLOADER was using the load for the first hour of the day. Entergy has ascertained that this error has been present since May 30, 2007.

The RFLOADER software improperly processed load forecast data in days 8 through 11 of the Planning Horizon for certain network customers.³ The load forecast data for days 12 through 31 of the Planning Horizon were not affected by RFLOADER's mismanagement of daily peak load data.

On September 28, 2007, Entergy implemented a temporary fix for this issue by manually correcting the load forecast file received by RFCALC to use the peak hour instead of the first hour for days 8 through 11 of the Planning Horizon. Entergy has tested and deployed a permanent software fix for this problem.

Respectfully submitted,

/s/ Floyd L. Norton, IV

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

³ The RFLOADER software logic which derives the embedded network loads for MEAM, BRAZOS and AECC was not affected by this software issue.

CERTIFICATE OF SERVICE

I hereby certify that I have this 11th day of October, 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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