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August 17, 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,<sup>1</sup> hereby notifies the Commission it has recently become aware of an OASIS Automation ("OA") issue involving the posting of inaccurate data and 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 a recently discovered issue involving the use of "participation factor" data in the Available Flowgate Capacity ("AFC") process.

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

Participation factors are data inputs to the AFC process that are used to calculate “response factors.”<sup>2</sup> Participation factors are used to determine how generators will be ramped down when performing the response factor calculations. As part of the AFC stakeholder process, Entergy agreed to modify the manner in which it calculates participation factors. One of these modifications was designed to calculate a subset of participation factors on a zonal basis. The zonal participation factors would be used to determine the response factors for transactions where the source is a generator located in the Amite South area or the West of the Atchafalaya Basin (“WOTAB”) area of the Entergy transmission system and the sink is “ENT-EMO”.<sup>3</sup> This modification was first implemented on July 12<sup>th</sup>, 2005 using a manual process. An Entergy engineer manually calculated the participation factors and organized that data into three columns (Amite South, WOTAB and “rest-of-Entergy”). The participation factor data was passed to RFCALC, which calculated the actual response factors. The participation factors are posted on OASIS with other models and data inputs related to the AFC process.

In May of 2006, Entergy implemented an automated process for calculating participation factors that relied on a database-generated file to calculate the participation factors and organize the data into its respective columns. It appears that during the transition from the manual process to the automated process the order in which the participation factor data was organized in the file was modified, such that the data columns for Amite South and WOTAB were reversed. Because RFCALC still “pulled” the data in the same manner, the software began to calculate response factors for generators located in Amite South using the participation factors for WOTAB generators, and vice versa.

In August 2006, prior to the ICT becoming operational, a representative of several transmission customers requested that Entergy staff verify the accuracy of the participation factor values posted on OASIS and confirm that the participation factors listed for generators located in WOTAB had not been switched with the participation factors for generators located in Amite South. In response to this request, Entergy’s staff reviewed the values and concluded that the values were calculated accurately. However, Entergy’s staff failed to recognize that the automated process was arranging the data in different order, *i.e.*, the data columns for Amite

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<sup>2</sup> The AFC process evaluates short-term transmission service requests by calculating the amount of capacity available on individual flowgates and then measuring the impact that the service requests have on those flowgates. The impact of a particular service request on specific flowgates is measured by the “response factor” for that particular source-sink pair. For additional description of the use of participation factors, *see* the “Proposed Revisions to Entergy’s Open Access Transmission Tariff,” filed on November 4, 2005 in Docket No. ER06-162, pp 10-11.

<sup>3</sup> The ENT-EMO sink comprises the Entergy-owned generators that are ramped down when calculating response factors for transactions to Entergy’s native load and the load of one of Entergy’s grandfathered wholesale customers (the Municipal Energy Agency of Mississippi).

South and WOTAB had been reversed.<sup>4</sup> Because Entergy's staff did not recognize the error at the time, no changes were made and Entergy reported several days later that the values were correct.

On Thursday, July 26, 2007, the same transmission customer representative asked SPP, acting in its role as the ICT, to evaluate the accuracy of the Amite South and WOTAB participation factors. The ICT raised this concern with Entergy, and Entergy staff discovered the issue noted above. The issue was discovered by comparing the pre-June 2006 participation factor files that had been created by the manual process with the subsequent participation factor files that had been created by the automated process.<sup>5</sup> The issue was resolved the same day it was discovered by reversing the order of the participation factor data in the file provided to RFCALC. This aspect of the system is now functioning properly; the response factors are being calculated with the correct participation factors for both the Amite South and WOTAB regions. Entergy believes that the WOTAB and Amite South data (which is calculated seasonally) was reversed from May 2006 until corrected in July 2007.

While the impact of the error is difficult to evaluate, participation factors are used only to calculate response factors and are not used to determine dispatch levels in the AFC base case models. Response factors for generators located outside of the Amite South and WOTAB regions were not affected by the error because those response factors were calculated using the rest-of-Entergy zonal participation factor data in a separate column that was not affected by the reversal of the data in the Amite South and WOTAB columns. Not all response factors for generators located inside Amite South or WOTAB would have been impacted by the error. If the source was located inside Amite South or WOTAB but the sink was any sink other than ENT-EMO, the response factors would not have been impacted by the error. However, if the source was located inside Amite South or WOTAB and the sink was the "ENT-EMO" sink, then the response factors for that source-sink pair would have been impacted by the error.

Because response factors are used to evaluate the impact of service requests on individual flowgates, and because the participation factor data impacted by the error was used to calculate those response factors, transmission service requests sourcing in Amite South or WOTAB and sinking into the ENT-EMO sink were evaluated using erroneous response factors.<sup>6</sup> It is possible

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<sup>4</sup> The Entergy staff member that reviewed the issue in August 2006 had an incorrect understanding as to which data belonged in which column. This misunderstanding essentially masked the fact that the data columns had been switched in the first place.

<sup>5</sup> Prior to the implementation of the ICT, Entergy was responsible for any review of the participation factors before posting them on OASIS. By the time SPP assumed its role as the ICT in November 2006, the 2005 participation factor data used to uncover the error was considered historical data and was not part of the established data flow to the ICT from Entergy. Thus, the ICT was not able to perform this comparison when the issue was raised in January and July 2007.

<sup>6</sup> These response factors only would have been used when evaluating transmission service requests for transactions from generating units in Amite South or WOTAB to Entergy's native load or the load of the

Kimberly D. Bose, Secretary  
August 17, 2007  
Page 4

**Morgan Lewis**  
C O U N S E L O R S   A T   L A W

that these response factors could have led to incorrect service denials or approvals. Because the availability of service is dependent on a number of other factors beyond just participation factor data, Entergy cannot precisely assess the impact of this issue on transmission service evaluations.

As noted above, Entergy has corrected the error and is providing the ICT with a copy of the database and automated process used to generate participation factors and the participation factor data from the period prior to ICT becoming operational. Entergy and the ICT are reviewing the process for calculating participation factors and will notify the Commission of any additional errors and associated remedial actions.

Respectfully submitted,

/s/ Floyd L. Norton, IV

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Attorney for  
Entergy Services, Inc.

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

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Municipal Energy Agency of Mississippi. During this period, however, the Municipal Energy Agency of Mississippi did not submit any short-transmission service requests evaluated in the AFC process.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this 17th day of August, 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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