

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**March 24, 2004**

**IN RE:**

**PETITION OF ENTERGY ARKANSAS, INC. FOR  
APPROVAL OF REVISION TO THE ANNUAL  
INTEREST RATE PAID ON ALL UTILITY  
SERVICE CUSTOMER ACCOUNTS FOR 2004**

**DOCKET NO.  
03-00622**

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**ORDER APPROVING REVISIONS TO THE ANNUAL INTEREST RATE  
PAID ON ALL UTILITY SERVICE CUSTOMER ACCOUNTS FOR 2004**

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This matter came before Director Pat Miller, Director Sara Kyle, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on January 5, 2004 for consideration of the petition (the "*Petition*") filed by Entergy Arkansas, Inc. ("Entergy" or "EAI") for approval of EAI's request to change the annual interest rate to be paid on customer deposits for 2004.

Entergy's *Petition* is contained in a letter dated December 4, 2003 which was filed on December 5, 2003. In the letter Entergy states that the Arkansas Public Service Commission ("APSC") has ordered all utilities subject to its jurisdiction to pay an annual interest rate of one and four tenths percent (1.4%) during 2004 on all utility service customer accounts and that Entergy intends to pay the same rate for Tennessee customer deposits.<sup>1</sup> The letter attached a copy of the APSC order issued December 3, 2003 in APSC Docket No. 03-168-U. The APSC order is

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<sup>1</sup> *Petition*, p 1 (December 5, 2003) Letter from Will Morgan, Manager, Arkansas Regulatory Affairs, Entergy Arkansas, Inc to Deborah Taylor Tate, Chairman, Tennessee Regulatory Authority, p 1 (December 4, 2003).

based on the un rebutted testimony of a staff financial analyst recommending the rate of 1.4%. A copy of the financial analyst's testimony was filed in this docket on December 10, 2003.<sup>2</sup>

### **Findings**

TRA Rule 1220-4-5-.14(b) contained in the Authority's regulations for gas companies states that "any interest rates on deposits will be approved by the Authority." Since Entergy has approximately 600,000 customers in Arkansas and approximately 60 customers in Tennessee, the Authority has historically concurred with the findings and orders of the APSC. After review and consideration of Entergy's *Petition*, the APSC order, the filed testimony of APSC's financial analyst, and other pertinent portions of the record, the Directors of the voting panel assigned to this docket voted unanimously to approve Entergy's *Petition*.

### **IT IS THEREFORE ORDERED THAT**

The *Petition* revising the annual interest rate to be paid on customer deposits for 2004 is approved.



Pat Miller, Director



Sara Kyle, Director



Ron Jones, Director

<sup>2</sup> Prepared Testimony of Johnny Brown, Financial Analyst (December 10, 2003)