

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P1.1

Schedule Sheet 1 of 2

(AT)

Replacing: 1st Revised

Sheet No. P1.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 1

Title: **Pick A Date Plan (PADP)**

PSC File Mark Only

(AT)

1.0. PICK A DATE PLAN (Extended Due Date Plan)

- 1.1. This Pick A Date Plan ("the PLAN") has been filed and approved pursuant to Arkansas Public Service Commission ("APSC") General Service Rule ("GSR") 5.09. and meets all of the requirements of that Rule. Under the Plan, Entergy Arkansas, Inc. ("EAI" or the "Company") will, at the request of eligible customers, move their normal bill due date, to a date of the customer's choosing ("Chosen Due Date"). Such customers shall pay by the Chosen Due Date and payments so made will be considered as having been made timely.

1.2. AVAILABILITY

This Plan is available to all EAI customers except those listed below as not eligible. The Plan may be beneficial to customers who may have a fixed income from sources such as Aid to Families with Dependent Children (AFDC), Aid to the Aged, Blind and Disabled (AABD), Supplemental Security Income (SSI), or Social Security or Veterans Administration disability or retirement, where checks may normally be received after the due date of their electric service bill.

Customers that are not eligible are:

- (1) those being served under the Summary Billing Service Rider (SB), Rate Schedule No. 19 or other accounts whose billing date is set by contract;
- (2) those that are in arrears and arrangements have not been made to pay such arrears;
- (3) those that have picked a Chosen Due Date within the last 12 months; and
- (4) those that have been removed from the plan within the last 12 months for the reasons set out in § 1.4 below.

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1.3. APPLICATION

- 1.3.1. Customers shall become participants in the Plan upon either written or oral application to the Company. Participation in the Plan will continue for each month thereafter, regardless of account location, as long as the customer's account remains active and customer has not violated any of the provisions of § 1.4 below.

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- 1.3.2. After the Company accepts the customer as a participant in the Plan, the customer shall select a Chosen Due Date and inform the Company of such Chosen Due Date which will become a permanent part of the customer's record. During the billing procedure each month, the Chosen Due Date will replace the customer's normal due date. If payment is not received by the Chosen Due Date, the Company will follow the established notification process as set forth in the APSC GSR 6.04, which could result in termination of electric service.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P1.2

Schedule Sheet 2 of 2

(AT)

Replacing: 1st Revised

Sheet No. P1.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 1

Title: Pick A Date Plan (PADP)

PSC File Mark Only

(AT)

1.4. REMOVAL FROM THE PLAN

A Customer who violates any of the following provisions will be removed from the Plan:

- (1) the customer pays after the Chosen Due Date two times in a row or any three times in twelve months;
- (2) the customer is disconnected for non-payment.

The Company shall notify the customer in writing upon the customer's removal from the Plan under this provision.

1.5. REINSTATEMENT IN THE PLAN

Customers removed from the plan pursuant to § 1.4. above may be reinstated upon request after twelve months with no violations of the provisions of § 1.4 above.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

4th Revised

Sheet No. P2.1

Schedule Sheet 1 of 3

(AT)

Replacing: 3rd Revised

Sheet No. P2.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 2

Title: Budget Billing Plan (BBP)

PSC File Mark Only

(AT)

2.0. BUDGET BILLING PLAN (Levelized Billing Plan)

2.1. REGULATORY AUTHORITY

(CT)

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee legislature in areas of the State of Tennessee served by EAI.

2.2. BILLING OPTIONS

2.2.1. Levelized Billing Option

2.2.1.1 Availability

This Levelized Billing Option is available upon request only to customers in the following groups who take service year-round under the conditions specified herein:

- customers served under Rate Schedule No. 1, General Purpose Residential Service (RS) or Rate Schedule No. 2, Optional Residential Time-of-use (RT);
- any church account;
- any elementary or secondary school account (pre-kindergarten through twelfth (12th) grade);
- accounts taking service under Rate Schedule No. 4, Small General Service (SGS) or Rate Schedule No. 5, General Farm Service (GFS).

EAI applies the following credit criteria to determine eligibility:

- Residential Customers qualify if they have no previous balances past due;
- Non-residential Customers qualify if they have no previous balances past due and have not received a disconnect notice in the most recent twelve (12) months.

This Levelized Billing Option is not available to customers taking temporary or seasonal service.

2.2.1.2 Billing Procedure

The Customer's monthly bill will be computed in accordance with the applicable rate schedule and the Customer's account will be debited with such amount ("Billed Amount"). The net amount payable for the current month ("Levelized Amount") will equal, to the

(MT)

ARKANSAS PUBLIC SERVICE COMMISSION

4th Revised

Sheet No. P2.2

Schedule Sheet 2 of 3

(AT)

Replacing: 3rd Revised

Sheet No. P2.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 2

Title: **Budget Billing Plan (BBP)**

PSC File Mark Only

(AT)

nearest whole dollar, the average monthly Billed Amount debited to the Customer's account during the twelve (12) months ending with the current month, plus or minus one-twelfth (1/12) of the accumulated difference between previous debits and the Levelized Amounts payable under this option.

2.2.2. Equal Pay Billing Option

2.2.2.1. Availability

For any year-round Residential Customer or church account that desires to take service under the conditions specified herein and who requests such service. Not applicable to temporary or seasonal service.

2.2.2.2. Billing Procedure

The Customer's monthly bill will be computed in accordance with the applicable rate schedule and the Customer's account will be debited with the Billed Amount. The net amount payable for service for the current month ("Equal Pay Amount") will equal, to the nearest whole dollar, one-twelfth (1/12) of the current plus eleven (11) prior months' amounts billed for all metered electric service to the account. During the billing process of the thirteenth (13th) month ("Anniversary Month"), and during the billing process of each subsequent Anniversary Month, the Equal Pay Amount will be recalculated. The new Equal Pay Amount for the current and next eleven (11) months will equal one-twelfth (1/12) of the sum of the current and prior eleven (11) months' Billed Amounts plus the current balance of the accumulated differences between the previous twelve (12) months' Billed Amounts and Equal Pay Amounts. The Equal Pay Amount may be adjusted in any month in which there is significant variation between the Equal Pay Amount and the current balance of the accumulated difference.

2.3. ACCOUNT HISTORY AVAILABILITY

Customers who take service under Rate Schedule SGS or GFS, or who are church, or elementary or secondary school accounts, must have twelve (12) complete months of billing history at the present service location.

Residential customers must have twelve (12) months' representative billing history at the present service location to determine the Levelized or Equal Pay amounts. Where the billing history is complete and representative, the customer's twelve-month history will be used. Where the billing history is incomplete but representative, estimates of monthly bills may be made for incomplete periods based on the average for the class or the customer's available history. Where the customer's billing history is complete but non-representative, estimates based on the average for the class may be used for the months that are not representative. Where the customer's billing history is incomplete and non-representative, estimates of monthly bills may be made based on the average for the class. All such estimates will be made solely to determine the current month's Levelized amount or the next twelve (12) months Equal Pay Amount.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P2.3

Schedule Sheet 3 of 3

(AT)

Replacing: 1st Revised

Sheet No. P2.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 2

Title: Budget Billing Plan (BBP)

PSC File Mark Only

(AT)

2.4. WITHDRAWAL

Customers who voluntarily or involuntarily withdraw from either of the above options for any reason will not be eligible for service under this Plan until the seventh (7th) billing month following such withdrawal. The transfer of all or portions of accumulated difference credit balance at the request of the customer to satisfy payment of a current bill shall constitute voluntary withdrawal from service under this Plan.

2.5. TERMINATION AND SETTLEMENT

Billing under this Plan may be terminated by the customer at any time by giving reasonable notice to the Company and may be automatically terminated by the Company upon discontinuance of service for any reason appearing in the Commission's General Service Rule 6.01, Authorized Suspension (GSR 6.01). In the event billing under this Plan is terminated at the request of the customer or for any reason appearing in GSR 6.01 settlement shall be made immediately for the balance of the customer's account. A Delayed Payment Agreement may be available to qualifying residential or commercial customers as defined in GSR 6.13.

Customers taking service under this Plan who for any reason subsequently request that their service be provided under a Rate Schedule not named in the Availability Section above will be withdrawn from service under this Plan.

2.6. OTHER PROVISIONS

Except as modified herein, all terms and conditions of the applicable rate schedule(s) shall remain unchanged and apply.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P3.1

Schedule Sheet 1 of 1

(AT)

Replacing: Original

Sheet No. P3.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 3

Title: Extended Absence Payment Plan (EAPP)

PSC File Mark Only

(AT)

3.0. EXTENDED ABSENCE PAYMENT PLAN (General Service Rule 5.11.)

- 3.1. This Extended Absence Payment Plan provides payment options for Customers planning to be away from their homes for an extended period but who wish to avoid suspension of service by keeping their electric service account current.

3.2. PAYMENT OPTIONS

3.2.1. Option 1:

The Customer may apply for a draw draft plan, which automatically pays the Customer's electric service bill through Customer's checking or savings accounts, by contacting their financial institution or Entergy Arkansas, Inc. ("EAI" or the "Company").

3.2.2. Option 2:

The Customer may ask the Company to forward the Customer's bill to a temporary mailing address.

3.2.3. Option 3:

The Customer may make a prepayment to Customer's electric service account. The Customer may contact the Company for assistance in determining the amount of prepayment needed. However, the final determination of the adequate amount of prepayment will be the sole responsibility of the Customer. Any amounts billed for electric service for which prepayment was not provided and for which payment is not received by the due date shall be considered a late payment pursuant to GSR 5.06.

3.3. NOTIFICATION:

The Customer must notify the Company in order to take advantage of any of the extended absence payment options listed above.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P4.1

Schedule Sheet 1 of 1

(AT)

Replacing: 1st Revised Sheet No. P4.1

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric

Class of Service: Residential

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 4

Title: Provisions for Landlords and Tenants (LTP)

PSC File Mark Only

(AT)

4.0. PROVISIONS FOR LANDLORDS AND TENANTS (General Service Rule 6.19(a))

4.1. ACCOUNT IDENTIFICATION

4.1.1. Entergy Arkansas, Inc. ("EAI" or the "Company") has established the following procedures for identifying landlord/tenant accounts:

- A. At the time of application, EAI will mail to the new customer an informational booklet that describes the provisions of the Landlord/Tenant process. Landlords may identify themselves to the Company and identify their tenants by name, address, and account number. This can be done at the time of application or any subsequent call to the Company's Customer Service Center.
- B. When EAI is made aware of a landlord tenant relationship at a particular account, they will mail the landlord a form to be completed and returned to EAI. When the completed form is received, the account will be coded so that it is identified as a landlord tenant relationship.

4.2. PROCEDURES FOR SUSPENDING SERVICE

4.2.1. Prior to suspending service to accounts constituting a landlord/tenant relationship as identified by GSR 6.19.A., the Company shall take the following actions:

- A. A suspension notice shall be mailed or delivered to the landlord.
- B. If no response is received from the landlord within 7 days from the mail date of the suspension notice, the Company shall post a suspension notice in conspicuous locations at the premises, such as near mail boxes, building entrances and exits, and any other areas of common usage. In cases where the premises contains 20 or less individual units, the Company may mail a suspension notice to each tenant at least 14 days before suspending service.
- C. Service will not be suspended until the account is at least 30 days past due.
- D. If separate metering is feasible at the premises, the Company will allow any tenant to apply for service in the tenant's name.

4.2.2. No tenant will be required to pay any amounts owed by the landlord to the Company.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P5.1

Schedule Sheet 1 of 1

(AT)

Replacing: Original

Sheet No. P5.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 5

Title: **Standard Nominal Voltages (SNVP)**

PSC File Mark Only

(AT)

5.0. STANDARD NOMINAL VOLTAGES (Special Rules - Electric 6.01.A.)

Rule 11.02(h)(1) of the Arkansas Public Service Commission (the "Commission") Rules of Practice and Procedure and Rule 6.01.A. of the Commission's Special Rules - Electric provide that each electric utility shall file the nominal voltage to be supplied to a customer as a tariff.

5.1. NOMINAL VOLTAGES - SECONDARY

The following secondary voltages are available from Entergy Arkansas, Inc. (the "Company") depending on the size of the customer's electrical load, application, and location on the Company's distribution system:

5.1.1. Single Phase - Three Wire:

120/240	120/208	240/480
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5.1.2. Three Phase - Three Wire:

240	480	2,400
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5.1.3. Three Phase - Four Wire:

120/240	120/208Y	277/480Y	4,160Y/2,400
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5.2. NOMINAL VOLTAGES - PRIMARY

The following primary voltages are available from the Company depending on the size of the customer's electrical load, application, and location on the Company's distribution system:

13,800Y/7,960	12,470Y/7,200	34,500Y/19,920
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5.3. OTHER VOLTAGE SERVICE

Depending on the size of the customer's electrical load, application, and location, customers requiring other voltages may be served through special arrangements under written agreements.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P6.1

Schedule Sheet 1 of 1

(AT)

Replacing: Original

Sheet No. P6.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Not Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 6

Title: Voltage Verification Plan (VVP)

PSC File Mark Only

(AT)

6.0. VOLTAGE VERIFICATION PLAN (Special Rules - Electric 6.01.C.(2))

Rule 6.01.C.(2) of the Arkansas Public Service Commission ("Commission") Special Rules - Electric and Rule 11.02(h)(3) of the Commission's Rules of Practice and Procedure provide that each electric utility shall file, within one year of Commission adoption of these Rules, its plan for verifying voltage standards at each distribution substation through continual voltage recordings.

6.1. ELECTRIC VOLTAGE VERIFICATION PLAN

Entergy Arkansas, Inc. employs a SCADA (Supervisory Control & Data Acquisition) system and/or voltmeters at each of its distribution substations. SCADA continually monitors and stores data regarding the voltage levels at each substation and voltmeters verify voltage levels by recording continual voltage readings.

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P7.1

Schedule Sheet 1 of 2

(AT)

Replacing: Original

Sheet No. P7.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Lighting

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 7

Title: **All Night Outdoor Lighting Maintenance Policy (OLMP)**

PSC File Mark Only

(AT)

7.0. ALL NIGHT OUTDOOR LIGHTING MAINTENANCE POLICY

7.1. NORMAL MAINTENANCE

Entergy Arkansas, Inc. ("EAI" or the "Company") will install, own, operate and provide normal maintenance for the luminaire or floodlight, which will include repair or replacement of bulbs, photoelectric cells and heads (containment devices) which were defective when installed or have become defective through the normal aging process. Such normal maintenance will be provided at Company's expense within 72 hours after notice is given by the customer. If in Company's sole judgment repair or replacement is required due to purposeful physical damage or vandalism of Company's All Night Outdoor Lighting facilities the repair or replacement of the facilities shall be considered unusual maintenance.

7.2. UNUSUAL MAINTENANCE

Company will perform such unusual maintenance up to three times in a twelve-month period for a single account at Company's expense. After the third such occurrence Company shall notify customer that unusual maintenance has been required and that the cost of the next such unusual maintenance within the twelve month period shall be the responsibility of and billed to customer's account. If payment for such unusual maintenance is not made within the time period allowed in the Payment provision of Rate Schedule No. 12, All Night Outdoor Lighting Service (L4), the Agreement For All Night Outdoor Lighting Service shall be terminated and Company's facilities will be removed.

7.3. NOTICE TO CUSTOMER.

Notice to Customer will be in substantially the following form:

Dear Customer:

Entergy Arkansas, Inc. has performed unusual maintenance on All Night Outdoor Lighting Facilities installed for your account three times within the last twelve month period. In accordance with the Company's Policy Schedule No. 7, All Night Outdoor Lighting Maintenance Policy filed with the Arkansas Public Service Commission you will be billed for the cost of any further unusual maintenance required for this account within the twelve month period which began _____, 20___. If a billing is rendered for unusual maintenance costs you shall have twenty-one (21) days after the bill is mailed in which to make payment. If payment is not made within the twenty-one (21) day time period the Agreement For All Night Outdoor Lighting Service shall be terminated and Company's All Night Outdoor Lighting facilities will be removed.

If you have questions concerning this notice or your All Night Outdoor Lighting Service account you may call your EAI Customer Service Specialist at _____.

Thank you for allowing EAI to serve you.

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P7.2

Schedule Sheet 2 of 2

(AT)

Replacing: Original

Sheet No. P7.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Lighting

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 7

Title: All Night Outdoor Lighting Maintenance Policy (OLMP)

PSC File Mark Only

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P8.1

Schedule Sheet 1 of 2

(AT)

Replacing: Original

Sheet No. P8.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 8

Title: Quick Pay Center Payment (QPCP)

PSC File Mark Only

(AT)

8.0. QUICK PAY CENTER PAYMENT

8.1. REGULATORY AUTHORITY

(CT)

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee legislature in areas of the State of Tennessee served by EAI.

8.2. AUTHORITY

This Quick Pay Center Policy Schedule ("Policy") has been filed with and approved by the Arkansas Public Service Commission ("APSC") to describe the policy of Entergy Arkansas, Inc. ("EAI" or "Company"), regarding payment of EAI issued customer invoices at non Company-owned locations by non Company employees.

8.3. APPLICATION

The Company has entered into agreements with a number of privately owned retail businesses ("Authorized QPC(s)") throughout its service territory creating a network of locations where any EAI customer may present and pay an EAI electric service invoice. Non-EAI employees staff these Authorized QPCs. The Policy applies to all EAI issued customer invoices paid at an EAI Authorized QPC. When such payment is tendered the Authorized QPC will be allowed to charge a fee of \$0.75 per transaction.

The Company maintains "free" Quick Pay Centers ("QPCs"), also authorized by the Company and consistent with Order No. 2 in APSC Docket No. 02-150-TF, where customers may present and pay an EAI electric service invoice without charge. All savings achieved through the operation of this schedule will be used to offset the increased cost of "free" QPCs and make improvements to the QPC processes. Information regarding the locations of such payment centers may be obtained by dialing 1-800-ENTERGY.

The Policy does not modify or supersede any of the provisions of any of EAI's filed and approved Rate Schedules, in particular, the requirement that the customer must pay the full amount of the invoice by its Due Date to avoid penalty remains unchanged. The Company assumes no responsibility for late payments when such payments are received after the Due Date.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P8.2

Schedule Sheet 2 of 2

(AT)

Replacing: Original

Sheet No. P8.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 8

Title: Quick Pay Center Payment (QPCP)

PSC File Mark Only

8.4. SERVICE REGULATIONS

Service under this schedule is subject to Policy Schedule No. 9, Service Regulations, as it is now or may in the future be approved by the Commission, and the Rules of the Commission and the Company.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P9.1

Schedule Sheet 1 of 8

(AT)

Replacing: 1st Revised

Sheet No. P9.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

9.0. SERVICE REGULATIONS

9.1. REGULATORY AUTHORITY

(CT)

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee legislature in areas of the State of Tennessee served by EAI.

9.2. DEFINITIONS

The following expressions when used in these Service Regulations, Rate Schedules, and in Service Agreements, shall, unless otherwise indicated, have the meanings given below.

9.2.1. POINT OF DELIVERY

The point at which Company ownership of facilities terminates and at which customer's ownership of facilities begins, or as otherwise defined and agreed upon in an Agreement for Electric Service.

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9.2.2. CUSTOMER'S INSTALLATION

In general, all electrical circuits and facilities of any kind or nature on customer's side of the point of delivery (except Company's meter installation).

9.2.3. SERVICE DROP

The wires owned by Company connecting Company's distribution facilities to customer's service terminals.

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9.2.4. MONTH

An interval of approximately 30 days, except when the calendar month is specified.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P9.2

Schedule Sheet 2 of 8

(AT)

Replacing: 1st Revised

Sheet No. P9.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

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Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

9.2.5. NOTICE

(MT)

A written notification delivered personally or mailed by one party to the other at such other party's last known address -- the period of notice being computed from the date of such personal delivery or mailing.

9.2.6. METER

The meter or meters, excluding the meter enclosure and current transformer enclosure, together with auxiliary devices, if any, constituting the complete installation needed to measure the power and energy supplied to any individual customer at a single point of delivery.

9.2.7. COMPANY EXTENSION TO CUSTOMER

Any branch from, or continuation of, an existing line to the point of delivery to customer, including increases in capacity of any of Company's existing facilities, or the changing of any lines to meet the customer's requirements, including all transformers, service drops, meters, and installed service facilities owned by Company.

9.2.8. NATIONAL ELECTRICAL CODE

The current edition of the National Electrical Code Standard of the National Board of Fire Underwriters for Electric Wiring and Apparatus as recommended by the National Fire Protection Association.

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9.2.9. INTERCONNECTION FACILITIES

All facilities installed to interconnect and receive power from or deliver power to the customer including, but not limited to, connection, transmission, distribution, transformation, switching, metering and safety equipment. Interconnection Facilities shall include any additions and/or reinforcements to the Company's system required to facilitate interconnection, that the Company, in a reasonable exercise of its judgment, deems necessary.

9.2.10. ON-SITE GENERATION

Any device(s) capable of generating power and energy that is (are), or may be, connected on the customer's side of the point of delivery for the purpose of satisfying all or a portion of the customer's electrical requirements at any time. The customer's facility and equipment shall meet all requirements of applicable codes, and all requirements of any duly constituted regulatory or municipal authority having jurisdiction. The Company's determination of the applicability of a code, or any portion thereof, shall be subject to review by the Commission upon petition by the customer.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P9.3

Schedule Sheet 3 of 8

(AT)

Replacing: 1st Revised

Sheet No. P9.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

9.3. AGREEMENTS FOR ELECTRIC SERVICE - NONRESIDENTIAL

(AT)

9.3.1. CUSTOMER'S RIGHT TO CANCEL AGREEMENT FOR ELECTRIC SERVICE OR SUSPEND OPERATIONS

(AT)

Unless Company has made an out of the ordinary investment, or has a specific contract to provide service to customer for a term of years, under the Agreement for Electric Service, customer, after giving 10 days written notice and receiving Company's written approval, may suspend operation if no electric service is required during the period of suspension of operation. In the event of such suspension of operation, the expiration date of the Agreement for Electric Service shall be extended for a period of time equal to the period of suspension of operation. Under like circumstances customer may give Company 30 days written notice of desire to cancel the Agreement, if due to permanent and total abandonment of operation, electric service is no longer required on the premises. If Company is satisfied that customer no longer requires any electric service, the Agreement may be canceled by Company, at its option, giving customer written acceptance of such notice of permanent and total abandonment.

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9.3.2. COMPANY'S RIGHT TO CANCEL AGREEMENT FOR ELECTRIC SERVICE OR TO SUSPEND SERVICE

(AT)

The Company may terminate the Agreement For Electric Service pursuant to Section 6 of the APSC General Service Rules and for use of service in a manner prohibited by any of Company's applicable tariffs. Failure of Company to act at any time pursuant to the foregoing except as noted in GSR 6.09.A.(4), shall not affect any of the Company's rights hereunder or constitute a waiver of any remedy or defense afforded by law.

9.4. SUPPLYING AND TAKING OF ELECTRIC SERVICE

9.4.1. CONTINUITY OF ELECTRIC SERVICE

Company will use all reasonable diligence in providing a regular and uninterrupted supply of electric service, but does not guarantee the electric service against interruptions or irregularities. In case the supply of electricity shall fail, or be interrupted, or become defective through an act of God, or the public enemy, or state, municipal or other public authority, or because of accident, strike, or any other causes beyond the reasonable control of the Company, Company shall not be liable for such failure, interruption or defect.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. P9.4 Schedule Sheet 4 of 8

(AT)

Replacing: 1st Revised Sheet No. P9.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

9.4.2. INTERRUPTION OF ELECTRIC SERVICE FOR REPAIRS AND CHANGES

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability, interrupt electric service for such periods as may be reasonably necessary. Company will notify customer in advance of such interruption whenever possible.

There shall be no reduction of demand, minimum or similar charges for months in which such interruptions do not exceed an aggregate of twenty-four hours. There shall be a pro rata reduction in such charges for months in which such interruptions do exceed that amount, which reductions shall be liquidated damages to customers for all defaults of Company in electric service rendition.

9.4.3. USE OF ELECTRIC SERVICE

Customer shall use service only for the purpose specified in the Agreement for Electric Service and in accordance with the provisions of the Rate Schedule designated therein.

(AT)

In no case shall customer extend or connect his installation to lines across or under a street, alley, lane, court, avenue or other public space in order to obtain electric service for adjacent property through one meter even though such adjacent property be owned by customer unless such extension is made pursuant to Arkansas Public Service Commission General Service Rule (GSR) 5.20., Separate Metering and Billing.

Company shall have the right to refuse to commence or to continue electric service whenever it appears that customer's installation is not in good operating condition. Company does not in any event assume any responsibility whatever in connection with any hazards or injury caused by the customer's failure to maintain the customer's installation.

9.4.4. CUSTOMER'S RESPONSIBILITY

Customer assumes all responsibility on customer's side of the point of delivery for the electric service supplied or taken, as well as for the electrical installation, appliances and apparatus used in connection therewith, and shall save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such electric service or the use thereof on customer's side of the point of delivery. Company does not in any event assume any responsibility in connection with such matters.

Customers that have On-Site Generation facilities shall not operate such facilities in parallel with the facilities of the Company unless all of the safety and technical requirements of the Company's published policies on parallel operation of generation are satisfied and the customer has executed a written agreement covering such parallel

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. P9.5 Schedule Sheet 5 of 8

(AT)

Replacing: 1st Revised Sheet No. P9.5

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

operation and the proper coordination of protective devices. The reasonableness of the Company's published policies, or any portion thereof, shall be subject to review by the Commission upon petition by the customer. Such customers shall be solely responsible for providing protective devices to disconnect their facilities from those of the Company when a disturbance on the Company's system results in their generation becoming isolated from the Company's generation.

9.4.5. RIGHT OF WAY

Without reimbursement customer shall make or procure conveyance to Company of right of way (to include licenses for franchises, if essential) for all Company owned distribution facilities whether installed by Company, purchased by Company or contributed to Company by customer and for all future extensions and modifications to such facilities, satisfactory to Company for Company's extension and shall protect Company in its peaceful use and occupancy of such right of way.

9.5. CUSTOMER'S INSTALLATION

9.5.1. COMPLIANCE WITH RECOGNIZED STANDARDS

Customer's installation shall meet or exceed all requirements of the National Electrical Code and all state and local regulations applicable thereto, at the time of such installation.

9.5.2. SERVICE FROM COMPANY

In all cases where new installations or alterations and additions to existing installations are to be made, Company shall be consulted as to the location of all service connections and/or meters and metering equipment. The Company shall also be consulted regarding the size and character of load to be connected or added and the characteristics of service to be supplied.

The point of attachment of Company's facilities to the customer's building and the nature and characteristics of service will be given in writing for all new installations and for alterations or additions to existing installations. The Company will not be responsible for re-work when such information is given orally.

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(AT)

9.5.3. NATURE AND USE OF INSTALLATIONS

Customer will select and operate his equipment in such manner that it will not adversely affect Company's electric service either to the customer or to others. When Company supplies three phase service, the customer will control his use of the electric service so that the load at the point of delivery will be maintained in reasonable electrical balance between the phases.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P9.6

Schedule Sheet 6 of 8

(AT)

Replacing: 1st Revised

Sheet No. P9.6

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

Customer will so select and operate his equipment as to maintain a power factor of not less than 90% at the point of metering. Company may, at its option, install meters or others instruments to measure the kilovolt-ampere demand or power factor or for other tests. If Company, at its option, installs kVA demand metering the kW demand as measured may be adjusted to correspond to the customer's maximum kVA demand.

9.5.4. GROUNDING

Customer shall be responsible for the installation and maintenance of an electrical ground which meets or exceeds all requirements of the National Electrical Code, and all state and local regulations applicable thereto at the time of such installation for grounding the neutral buss of the service entrance panel, main disconnecting switch or main circuit breaker.

9.6. COMPANY'S INSTALLATION

9.6.1. INSTALLATION AND MAINTENANCE

Except as otherwise provided in these Service Regulations, in Agreements for Electric Service or Rate Schedules, Company will install and maintain its lines and equipment on its side of point of delivery. Company shall not be required to install, inspect, or maintain any lines or equipment except meters on customer's side of the point of delivery. Only Company's employees or its designees are authorized to connect Company's service drop to customer's service terminals.

(AT)

(AT)

9.6.2. PROTECTION BY CUSTOMER

Customer shall protect Company's wiring and apparatus on customer's premises and shall permit no one but Company employees or persons authorized by law to inspect or handle same. In the event of any loss or damage to the Company's property arising out of carelessness, neglect, or misuse by customer or other unauthorized persons, the cost of making good such loss or repairing such damage shall be paid by customer.

All wiring and apparatus supplied by Company, purchased by Company or contributed to Company by customer shall remain its property, and if in customer's possession, shall on termination of Agreement for Electric Service be returned to Company by customer in as good condition as when received by customer, ordinary wear and tear excepted. Company may at any time examine, change or repair its property on the premises of customer and may remove its property upon or at any time after termination of Agreement for Electric Service.

(AT)

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ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. P9.7 Schedule Sheet 7 of 8

(AT)

Replacing: 1st Revised Sheet No. P9.7

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U
Order No.:
Effective:

Part IV. Policy Schedule No. 9

Title: **Service Regulations (SRP)**

PSC File Mark Only

(AT)

9.7. METERING

9.7.1. INSTALLATION

The Company will furnish, install, own, and maintain all meters and metering equipment except as noted below.

A. Customer will furnish and install at the agreed upon location the meter enclosure for any single or three phase service connection of 320 Amperes or less.

B. Company will furnish and customer will install at the agreed upon location the meter enclosure and current transformers (does not include the current transformer enclosure) for all service connections requiring instrument rated transformers.

(AT)

All equipment supplied by customer must be to Company specifications.

No retail customer will furnish or install any meter or other measuring device for the purpose of measuring electric service for resale to any person, firm, corporation, association, or to any third party.

9.7.2. EVIDENCE OF CONSUMPTION

The registration of Company's meter shall be accepted and received at all times and places as prima facie evidence of the amount of service taken by customer.

9.8. BILLING

9.8.1. BILLING PERIODS

Customarily bills for electric service supplied will be rendered at regular intervals. Non-receipt of bills by customer shall not release or diminish the obligation of customer with respect to payment thereof. Bills for service periods of less than 25 days or greater than 35 days shall be prorated except for initial or final service periods. Initial and final bills will be prorated for determining blocking only; the Customer Charge will not be prorated on any bill.

(AT)

9.8.2. UNAUTHORIZED USE OF ELECTRIC SERVICE

If electric service has been suspended, or the Agreement For Electric Service terminated, because of unauthorized use or disposition of such electric service by customer, Company shall be entitled to collect from customer at the appropriate rate for any electric service not properly recorded on the meter (the amount of which may be estimated by Company from the best available data), and also for all expenses incurred by Company on account of such unauthorized act or acts.

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised

Sheet No. P9.8

Schedule Sheet 8 of 8

(AT)

Replacing: 2nd Revised

Sheet No. P9.8

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 9

Title: Service Regulations (SRP)

PSC File Mark Only

(AT)

9.8.3. SELECTION OF RATE SCHEDULE

When a prospective customer makes application for electric service, the Company will upon request assist in the selection of the rate schedule most favorable to customer for the electric service requested. The selection will be based on the prospective customer's statement as to the class of electric service desired, the amount and manner of use, and any other pertinent information, which statement will be recorded and filed with the application. Company shall not be liable for any errors in connection herewith.

A customer being billed under one of two or more optional schedules applicable to his class of electric service may elect to be billed on any other applicable schedule by notifying Company in writing, and Company will bill customer under such elected schedule from and after the date of the next meter reading. However, a customer having made such change of schedule may not make another such change within the next twelve months.

9.9. ALTERATION OF ADEQUATE COMPANY FACILITIES AT CUSTOMER'S REQUEST

Alteration of existing adequate Company facilities at the customer's request shall be performed only if the customer pays the Company in advance of construction for the entire Company estimated cost of such alteration less any salvage value.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.1

Schedule Sheet 1 of 7

(AT)

Replacing: Original

Sheet No. P10.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

Title: **Contingency Emergency Power Conservation and Curtailment Plan (EPCP)**

PSC File Mark Only

(AT)

10.0. CONTINGENCY EMERGENCY POWER CONSERVATION AND CURTAILMENT PLAN

10.1. DEFINITIONS

As used herein, "Company" shall mean Entergy Arkansas, Inc., "Plan" or "Curtailement Plan" shall mean the following rules and regulations, and "Commission" shall mean the Arkansas Public Service Commission.

10.2. APPLICABILITY

The provisions of this Policy Schedule No. 10., shall apply at any time, and for such periods of time, when in the judgment of the Company, it is necessary to reduce the use of electricity due to projected emergencies or dynamic emergencies as described below.

10.2.1. PROJECTED EMERGENCY

A projected emergency is any situation for which, in the near future, the projected system demand exceeds available generating capacity and purchased power. Capacity may not be available because of extended outages caused by the time needed to repair a failure in existing equipment, because of delays in construction of new generating facilities, because of unanticipated excessive peak load demands, or because of shortages or interruptions of the supply of fuels for electric generation. The action to be taken for projected emergencies is described in § 10.4.

(CT)

10.2.2. DYNAMIC EMERGENCY

A dynamic emergency is any situation of such a severe nature that the automatic system protective and control equipment, coupled with manual operator intervention, cannot supply the load demand with available capacity within the time necessary to maintain the integrity of the bulk power facilities. These emergencies are generally caused by major system disturbances. The action to be taken for dynamic emergencies is described in § 10.5.

(CT)

10.2.3. IMPLEMENTATION

This Plan will be implemented only after all feasible alternatives for obtaining the necessary power and energy from outside sources have been exhausted.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.2

Schedule Sheet 2 of 7

(AT)

Replacing: Original

Sheet No. P10.2

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

**Title: Contingency Emergency Power Conservation and
Curtailment Plan (EPCP)**

PSC File Mark Only

(AT)

10.3. SCOPE

The action plan has been formulated to reduce load and energy consumption throughout the Company's service area on an equitable basis and to continue providing for human needs and essential public services. The Region Vice President shall be the Company officer responsible for the formulation and implementation of this Plan and shall serve as the Company's designated representative to coordinate with other responsible parties in authorizing the implementation of applicable provisions of the Plan.

10.4. ACTION TO BE TAKEN FOR PROJECTED EMERGENCIES

10.4.1. CURTAILMENT DUE TO FUEL SHORTAGE

Serious shortages of fuel could conceivably require a reduction in load and total energy generated. Burn days as defined by the formula,

$$\text{Burn Days} = \frac{\text{Usable inventory of fuel at plant site (bbls)} \times \text{no. of days in month (days)}}{\text{Anticipated burn in month (bbls)}}$$

will be used as points at which to review the necessity for implementation of proposed action steps. Whenever it is determined that a fuel shortage is imminent, the steps will be performed in the order listed or possibly simultaneously depending on the nature and extent of the projected condition.

<u>Step</u>	<u>Burn Days</u>	<u>Action</u>
1	-	An internal Company procedure will be implemented at any time there is a national energy crisis to manually reduce energy use at all Company offices and other facilities to the maximum extent possible.
2	45	<ol style="list-style-type: none">Request industrial and commercial customers to voluntarily curtail power not essential to production, processing, or commercial services.Make public requests through radio, television, and other news media to all customers to voluntarily reduce electrical energy use to the maximum extent possible.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.3

Schedule Sheet 3 of 7

(AT)

Replacing: Original

Sheet No. P10.3

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

**Title: Contingency Emergency Power Conservation and
Curtailment Plan (EPCP)**

PSC File Mark Only

(AT)

<u>Step</u>	<u>Burn Days</u>	<u>Action</u>
		c. Request other electric systems served at wholesale by the Company to begin immediate implementation of their own conservation and curtailment plans among their respective retail customers to the extent necessary to be equivalent to the steps taken under this Plan.
3	30	a. Reduce distribution system voltage levels as practicable up to five (5) percent, when it is expected to be effective for load reduction. b. Request emergency oil allocation. c. Request industrial and commercial customers to cut back or reschedule production, processing, or commercial services to substantially reduce power consumption to minimum requirements necessary under the existing circumstances. Such requests shall be on a proportional or other equitable basis taking into consideration the necessity of minimizing equipment or product damage.
4	25	Buy Emergency power.
5	20	Request emergency gas.
6	15	Open selected circuits for short periods of time. If further or continued reduction is necessary, circuits to be opened would be alternated or rotated on a scheduled short-term basis. The circuits selected for this program do not serve critical customers, such as hospitals, water systems, sewer systems, military reprisal facilities, life-sustaining equipment, and other loads vital to public needs. Other circuits excluded, <u>if possible</u> , include those serving emergency shelters, Civil Defense control centers, communication facilities, governmental services, and essential Company operations facilities. During the winter season, preference will be given where possible to providing electrical service to residential customers.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.4

Schedule Sheet 4 of 7

(AT)

Replacing: Original

Sheet No. P10.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

**Title: Contingency Emergency Power Conservation and
Curtailment Plan (EPCP)**

PSC File Mark Only

(AT)

10.4.2. CURTAILMENT DUE TO CAPACITY SHORTAGE

Serious shortages of generation capacity and/or loss of generation units or bulk transmission greater than the available supply from operating generating units and from purchased power through system interconnections.

The following curtailment steps will be implemented in the order listed and as necessary to reduce system loads within the capability of available generation and interconnected system purchases. Every reasonable effort will be made to assure that electrical service is not interrupted to critical customers and other loads vital to human and public needs.

<u>Step</u>	<u>Action</u>
1	An internal Company procedure will be implemented during any time there is an anticipated or imminent generation shortage on the Entergy System and/or system interconnections. This procedure will manually reduce electric power usage at all Company offices and other facilities to the maximum extent possible.
2	Request municipal electric systems and other systems served at wholesale to start and run all operable generation and to reduce as much electric power use as possible at their offices and other facilities.
3	Make public requests through radio, television, and other news media to all customers to voluntarily reduce electric power use to the maximum extent possible.
4	Request municipal systems and other systems served at wholesale to begin immediate implementation of their own conservation and curtailment plans among their respective retail customers to the extent necessary to be equivalent to the steps taken under this Plan.
5	Reduce distribution system voltage levels as practicable up to five (5) percent, when it is expected to be effective for load reduction.
6	Ask industrial and commercial customers to curtail power not essential to production, processing, or commercial services in accord with pre-established schedules.
7	Implement the emergency provision of Company rate schedules to switch off any controlled loads covered under Controlled Service Rates.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.5

Schedule Sheet 5 of 7

(AT)

Replacing: Original

Sheet No. P10.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

Title: Contingency Emergency Power Conservation and Curtailment Plan (EPCP)

PSC File Mark Only

(AT)

<u>Step</u>	<u>Action</u>
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8	Ask industrial and commercial customers to cut back or reschedule production, processing, or commercial services to substantially reduce power consumption to minimum requirements necessary under the existing circumstances. Such requests shall be on a proportional or other equitable basis taking into consideration the necessity of minimizing equipment or product damage.
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9	Open selected circuits for short periods of time. If further or continued reduction is necessary, circuits to be opened would be alternated or rotated on a scheduled short-term basis. The circuits selected for this program do not serve critical customers, such as hospitals, life-sustaining equipment, water systems, sewer systems, military reprisal facilities, and other loads vital to public needs. Other circuits excluded, <u>if possible</u> , include those serving emergency shelter, Civil Defense control centers, communication facilities, governmental services, and essential Company operations facilities. During the winter season, preference will be given where possible to providing electrical service to residential customers.
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10.5. Action To Be Taken For Dynamic Emergencies

In the event of sudden unanticipated forced outages of major generating units or failure of major transmission facilities, it may be necessary to curtail loads until there is adequate generation capacity available to maintain frequency at 60 hertz and supply all load variation requirements. Under these conditions the following steps will be taken by the Transmission Dispatch Center Dispatchers at Pine Bluff upon the request of the Entergy System Operator:

10.5.1. Implement emergency provisions of applicable contracts and Company rate schedules to switch off interruptible loads and controlled loads covered under Controlled Service Rates.

10.5.2. Reduce distribution system voltage levels as practicable up to five (5) percent, when such reductions are expected to be effective for load reduction.

10.5.3. The Company has selected certain distribution circuits which will be opened by Supervisory Control. Opening of these circuits will be initiated to prevent operation of the under frequency relays as described in § 10.5.4., below and to prevent damage to other generation and interconnected system facilities. The criteria for selection of these circuits are the same as stated in § 10.4.2., Step 9. The circuits and loads to be shed are based on increments of load which the System Operator might require to be shed in order to maintain integrity of the system. The Company's share is approximately 30 percent of the total load to be shed.

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(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.6

Schedule Sheet 6 of 7

Replacing: Original

Sheet No. P10.6

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

Title: Contingency Emergency Power Conservation and Curtailment Plan (EPCP)

PSC File Mark Only

10.5.4. The Company has also equipped certain distribution circuits with under frequency relays which will open selected circuits when the system frequency drops below a predetermined level. Criteria for selection of these circuits are the same as stated in § 10.4.2., Step 9.

In the event distribution circuits are interrupted by the methods detailed in 10.5.3., and 10.5.4., above and these interruptions are anticipated to last for a substantial period of time, the Company will proceed in an orderly fashion to implement the curtailment steps detailed in § 10.4.2., "Curtailment Due to Capacity Shortage," until sufficient load has been shed to allow restoration of service to the affected circuits.

10.6. Compliance by Customers

In the event any customer, as set forth in § 10.4., and 10.5., above, who has been requested to reduce or reschedule use of power and energy, fails to comply with a request of a Company representative to do so pursuant to this Plan, the Company shall have the right to totally discontinue service to said customer without further notice during the period this Plan is in effect. Such discontinuance shall not be deemed a violation of law or the Rules and Regulations of the Commission, and the Company shall not be liable for penalties or damages, direct or indirect, by reason thereof; provided, however, that upon taking such action, the Company shall forthwith notify the Commission of the identity and location of the customer and the circumstances leading to such discontinuance.

10.7. SUPERSEDES OTHER COMPANY POLICIES AND RATE SCHEDULES

The foregoing Contingency Emergency Power Conservation and Curtailment Plan shall apply during any and all times and periods when implementation thereof is necessary in the judgment of the Company. During such times and periods, the terms and provisions hereof shall supersede any and all terms and provisions of any other rule, regulation, rate schedule, or service agreement which may be in conflict herewith.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P10.7

Schedule Sheet 7 of 7

(AT)

Replacing: Original

Sheet No. P10.7

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 10

**Title: Contingency Emergency Power Conservation and
Curtailment Plan (EPCP)**

PSC File Mark Only

(AT)

10.8. TERM OF APPLICATION OF THIS CONTINGENCY EMERGENCY POWER CONSERVATION AND CURTAILMENT PLAN

The Company will take such reasonable and prudent actions as are available to it to eliminate or reduce the extent and term of the application of this Plan. Whenever the need for curtailment no longer exists, the Company will initiate restoration of service to all parts of the system as quickly as possible in an orderly fashion.

10.9. REPORT TO COMMISSION

As soon as practicable after implementation of all or any part of this Plan, the Company shall report to the Commission in writing the significant details thereof, the customer classifications affected, the duration or anticipated duration thereof, and the estimated units of power and energy conserved or curtailed and expected to be conserved or curtailed. The Company shall notify the Federal Energy Regulatory Commission pursuant to FPC Order No. 331-1.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P11.1

Schedule Sheet 1 of 1

Replacing: Original

Sheet No. P11.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Not Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 11

Title: Transformer Company No., Location No., & Birthmark

PSC File Mark Only

11.0 TRANSFORMER COMPANY NO., LOCATION NO., & BIRTHMARK

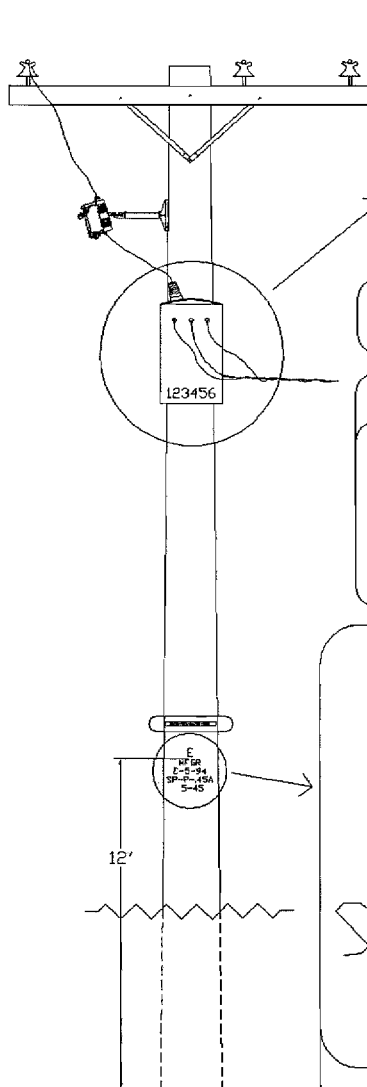


Fig. "A"
An assigned company number can also be identified to the assigned location number.

123-45-678-90

Fig. "B"
The EAI system of distribution mapping is based on an X (East) - Y (North) coordinate grid system. These coordinates originate from a longitude - latitude location approximately 30 miles southeast of Tyler, TX at 95° 00' west longitude and 32° 00' North latitude. Using a 10 digit X-Y coordination, a distribution transformer can be located to within a half acre or less. This location number is also installed on poles that have other types of equipment on them.

E	1 1/2"	UTILITY'S INITIALS
MFGR	1/2"	SUPPLIER'S NAME
C-5-94	1"	PLANT LOCATION, MONTH AND YEAR OF MANUFACTURE
SP-P-.45A	1/2"	SPECIES, PRESERVATIVE & LBS/CU. FT. RETENTION
5-45	1"	SIZE (CLASS & LENGTH)

Fig. "C"
Entergy Arkansas, Inc. Company Brand

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P12.1

Schedule Sheet 1 of 1

(AT)

Replacing: 1st Revised

Sheet No. P12.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Not Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 12

Title: Meter Testing Program (MTP)

PSC File Mark Only

(AT)

12.0. METER TESTING PROGRAM

Rule 11.02(h)(2) of the Arkansas Public Service Commission ("Commission") Rules of Practice and Procedure requires that each electric utility file its test method for in-service meters. Rule 7.08.C of the Commission's Special Rules - Electric (SR-E) provides that a utility shall state in its tariffs on file with the Commission which sampling method is used by the utility for testing new meters and which sampling method is used for testing in-service meters.

12.1. TEST PROGRAM FOR NEW METERS

To ensure that new meters conform to the accuracy requirements of SR-E 7.05.B, before installation by the utility, all new meters will be inspected and tested in a meter shop or laboratory under the sampling method indicated below:

- ☒ 100% of all new combination kW/kWh and kVA/kWh meters will be tested.
- ☒ New kWh only meters will be tested on a sampling basis conforming to ANSI C12.1-1982, § 8.1.5.

12.2. IN-SERVICE METER TESTING PROGRAM

In accordance with SR-E 7.08.B, all in-service meters will be tested by the utility under the program indicated below. All meters will be tested under the same program:

- ☒ Periodic interval ANSI C12.1-1982, § 8.1.8.4 and § 8.2.3.1, for combination kW/kWh, kVA/kWh and Three Phase kWh only meters.
- ☐ Variable interval ANSI C12.1-1982, § 8.1.8.5.
- ☒ Statistical sampling ANSI C12.1-1982, § 8.1.8.6, for Single Phase kWh only meters.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.0.1

Schedule Sheet 1 of 1

(AT)

Replacing: 1st Revised

Sheet No. P13.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

(CT)

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.0. CONTRACT FORMS

13.1. Use of Forms

The standard contract forms contained in this schedule are to be used, as applicable, for service that, under the appropriate rate schedule, is to be provided pursuant to a written contract. The Company reserves the right to use other standard contract forms for service not governed by any of the standard contract forms included herein, to the extent any other standard contract form is not inconsistent with an existing rate schedule, the rules and regulations of the Commission, or otherwise prohibited by law.

Omission of a standard contract form from this schedule for a service provided pursuant to a rate schedule that requires a written contract for such service does not constitute a waiver of the Customer's obligation to sign a written contract to obtain service.

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised Sheet No. P13.2.1 Schedule Sheet 1 of 1

(AT)

Replacing: 2nd Revised Sheet No. P13.2.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.2. TABLE OF CONTENTS

<u>CONTRACT TITLE</u>	<u>SECTION</u>	(CT)
Agreement for Electric Service	13.3	
Agreement For All Night Outdoor Lighting Service L4, § 12.3	13.4.1	(AT)
Agreement For All Night Outdoor Lighting Service L4, § 12.4	13.4.2	(AT)
Agreement For Collective Billing Service	13.5	
Agreement For Underground Service Connections	13.6	
Extension Of Service Agreement	13.7	
Agreement To Change Existing Facilities	13.8	
Agreements for Residential Underground Electric Distribution System in Subdivision	13.9	(AT)
Incorporated Communities With Street Lights	13.9.1	(AT)
Incorporated Communities Without Street Lights	13.9.2	
Unincorporated Communities With Street Lights	13.9.3	
Unincorporated Communities Without Street Lights	13.9.4	
Additional Facilities Agreements	13.10	(AT)
Facilities Agreement	13.10.1	
Attachment A To Facilities Agreement	13.10.1.1	
Amendment To Facilities Agreement For Removal/Relocation Of Facilities	13.10.2	
Attachment A To Amendment To Facilities Agreement For Removal/Relocation Of Facilities	13.10.2.1	
Agreement For Operation And Maintenance Of Customer Facilities	13.10.3	
Attachment A – Customer Facilities Subject To Operation And Maintenance	13.10.3.1	
Attachment B – Other Provisions To Agreement For Operation And Maintenance Of Customer Facilities	13.10.3.2	
Agreement Implementing Economic Development Rider (EDR)	13.11	
Agreement for Interruptible Service	13.12	
Market Valued Call Option (MVCO) Service Contract	13.13	
Market Valued Energy (MVE) Service Enabling Agreement	13.14.	(MT)
Experimental Energy Reduction (EER) Enabling Agreement	13.15	
Standard Interconnection Agreement for Net Metering Facilities	13.16	
Agreement for DataLink Service	13.17	

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.3.1

Schedule Sheet 1 of 4

(AT)

Replacing: Original

Sheet No. P13.3.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

13.3. Agreement for Electric Service

(CT)

This Agreement, made and entered into on _____, by and between _____
("Customer") and Entergy Arkansas, Inc. ("EAI" or the "Company"), a corporation;

(RT)

1. CHARACTERISTICS OF SERVICE

Company shall make available to Customer on or before _____ at the point of delivery specified herein, electric service up to a maximum of _____ kVA, at approximately _____ volts, _____ wire, _____, _____ phase and a nominal frequency of 60 cycles per second to be supplied for the operation of Customer's _____ located in _____ County at or near _____, Arkansas. Company will use due diligence to begin service hereunder on the date specified above, but its failure to do so shall not constitute a breach of this Agreement for Electric Service.

(AT)

2. DEFINITIONS

Firm Service -

Full requirements of Customer supplied under one of Company's standard electric service schedules;

Supplemental Service -

Partial requirements of Customer supplied under one of Company's standard electric service schedules that is Supplemental to Customer requirements served by Customer owned generating equipment;

Contract Power -

The highest kW demand established in the twelve months ending with the current month pursuant to the Minimum provision of the rate schedule under which Firm or Supplemental Service is supplied, referred to as contract, or ratcheted power or demand;

Standby Service -

Composed of Reserved Service, Maintenance Service Backup Service and Non-Reserved Service, restricted to a total number of kW that shall not exceed the nameplate rating of the Customer's generating equipment which may be operated in parallel with the Company's system;

(AT)

Reserved Service -

Electric energy and capacity the Company stands ready to supply during a scheduled or unscheduled outage of the Customer's on-site generation equipment;

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.3.2

Schedule Sheet 2 of 4

(AT)

Replacing: 1st Revised

Sheet No. P13.3.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

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Non-Reserved Service -

Electric energy and capacity the Company may supply during a scheduled outage of the Customer's on-site generation equipment during the service months of October through May when Customer has requested this service no less than twenty (20) days in advance.

(AT)

Maintenance Service -

Electric energy and capacity supplied by the Company during a scheduled outage of the Customer's generating equipment when Company has been given no less than seven (7) days advance notice of such requested Maintenance period;

Backup Service -

Electric energy and capacity supplied by the Company during an unscheduled outage of the Customer's generating equipment and electric energy and capacity supplied by the Company during a scheduled outage that exceeds scheduled Maintenance Service;

Reserved Service Contracted kW - An amount of kW not greater than the nameplate rating of Customer's on-site generation, for this Contract _____ kW.

3. RATES FOR SERVICE

Company shall supply and Customer shall take and/or pay for all Firm Service and/or Standby Service required by Customer for the above operation in accordance with Rate Schedule(s) _____ copy(ies) of which are attached hereto and made a part hereof, and Company's Policy Schedule No. 9, Service Regulations as approved by the regulatory authority having jurisdiction, or such other effective superseding Rate Schedule(s) and Service Regulations as may be authorized by duly constituted regulatory authority exercising lawful jurisdiction, or as may become effective in the manner provided by law.

4. MINIMUM BILLING

No monthly bill for electric service will be based on less than _____ if non-seasonal or _____ during the Customer's season if seasonal and Customer agrees to pay, as a minimum charge, the greater of such monthly bill or the amount calculated under the minimum provision of the then effective rate schedule until this Agreement is terminated pursuant to the provisions of § 9 below.

(CT)

(CT)

5. POINT OF DELIVERY

The point of delivery of such electric service shall be _____

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.3.3

Schedule Sheet 3 of 4

(AT)

Replacing: 1st Revised

Sheet No. P13.3.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

6. SUSPENSION OF SERVICE

Any suspension of service for non-payment of bills shall be without prejudice to any other right of action to which Company is entitled. In the event of cancellation of this Agreement by Company for any breach or default on the part of Customer, there shall immediately become due and payable, in addition to the amount then due for service hereunder, as liquidated damages and not by way of penalty, a further sum equal to the total minimum monthly or seasonal bills which Customer would have paid during the unexpired term had the Company not canceled the Agreement.

7. SERVICE RELIABILITY

Company will use reasonable diligence to supply steady and continuous electric service but does not guarantee the electric service against irregularities or interruptions. Company shall not be liable to Customer for any damages occasioned by irregularities or interruptions.

8. ASSIGNMENT OF CONTRACT

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto but no assignment shall be binding upon Company until accepted in writing by the latter.

9. TERM OF AGREEMENT

The term of this Agreement shall be from the date service is first made available hereunder to _____, and shall be automatically extended for successive periods of one year each until terminated by written notice given by one party to the other not more than six months nor less than three months prior to the expiration date of the initial term or any anniversary thereof. Customer's obligation to pay the monthly minimum contained in § 4 does not terminate with the initial term of this Agreement, but continues in effect as long as service is provided hereunder.

(RT,MT)

10. OTHER PROVISIONS

Any other provisions appended to this Agreement are made a part hereof.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.3.4

Schedule Sheet 4 of 4

(AT)

Replacing: 1st Revised

Sheet No. P13.3.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

11. ENTIRETY OF AGREEMENT

This constitutes the entire and only agreement between the Parties hereto with reference to the subject matter hereof and supersedes all previous understandings whether written or oral.

12. APPROVAL

This Agreement is contingent upon approval by Company's President; Vice President, or Department Director.

CUSTOMER

ENTERGY ARKANSAS, INC.

By: _____

By: _____

CUSTOMER OFFICER

COMPANY AGENT

(AT)

Signature Date: _____

Approved: _____

(MT)

ATTEST: _____

Title: _____

(AT)

Customer's Secretary

Signature Date _____

(AT,CT)

DIS WR #: _____	Project #: _____	Business Unit: A0000
Department: _____	Resource: _____	Activity: _____
Physical Location: <u>DAR</u>	Location: _____	Account Number: _____
Residential _____	Commercial _____	Industrial <u>X</u>

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.1.1 Schedule Sheet 1 of 4

Replacing: 2nd Revised Sheet No. P13.4.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

(AT)

13.4. Agreements for All Night Outdoor Lighting Service

(AT)

13.4.1 Agreement for All night Outdoor Lighting Service Rate Schedule L4, § 12.3, Company Owned and Maintained Lighting Facilities

(AT)

This Agreement, made this ___ day of _____, 20__, between _____ ("Customer") located at _____, Arkansas, and Entergy Arkansas, Inc. ("EAI" or the "Company");

1. OBLIGATIONS

Company shall supply, install and maintain on property located at _____ the hereinafter specified number of automatically controlled overhead lighting fixtures installed on wood poles, and Company shall deliver approximately 120 volt electric current thereto. Customer shall pay for such service in accordance with the terms and conditions hereinafter set forth and in accordance with the terms and conditions of Rate Schedule No. 12 and applicable Riders as Rate Schedule No. 12 and/or applicable Riders may be lawfully amended from time to time.

2. CHARGE

Existing and newly installed Nightwatchers and their associated additional facilities, if any, and poles and pole equipment, if any, shall be billed at the monthly charges shown on Attachment A to this agreement.

3. MAINTENANCE

All necessary normal service, maintenance and bulb replacements will be furnished at Company's expense within 72 hours after notice is given by customer. The cost of unusual maintenance resulting from purposeful physical damage or vandalism shall be the responsibility of and billed to customer. If payment for such unusual maintenance is not made within the time period allowed in the Payment provision of Rate Schedule No. 12 this Agreement shall be terminated and Company's facilities will be removed in accordance with Company's Policy Schedule No. 7 All Night Outdoor Lighting Service Maintenance Policy as filed with the APSC and as provided to Customer with Customer's copy of this Agreement.

4. OWNERSHIP OF FACILITIES

The facilities installed by the Company in the performance of this Agreement shall remain the property of Company and Customer hereby grants to Company the right to enter and to use Customer's premises as it is necessary for the installation, maintenance and removal of such facilities.

(MT)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.1.2 Schedule Sheet 2 of 4

Replacing: 2nd Revised Sheet No. P13.4.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

Docket No.: 06-101-U

Order No.:

Effective:

PSC File Mark Only

(AT)

5. LOCAL REGULATIONS

Where Nightwatchers for service hereunder are installed on Company facilities located along public streets or alleys, this contract is subject to any requirements of local municipal authorities.

6. TERM

The term of this Agreement shall be from _____ 20__, to _____, 20__, or from the date service is first made available hereunder and continuing for a period of twelve (12) months, and shall be automatically extended for successive periods of one year each until terminated by written notice given by one party to the other not more than six months nor less than three months prior to the expiration of the original term or any anniversary thereof.

7. ENTIRETY OF AGREEMENT

This document, including any other provisions which may be shown below constitutes the entire and only agreement between the Parties hereto with reference to the subject matter hereof and supersedes all previous understandings whether written or oral.

CUSTOMER

ENTERGY ARKANSAS, INC

by _____

by _____

Representative

DIS WR #: _____	Project #: _____	Business Unit: A0000
Department: _____	Resource: _____	Activity: _____
Physical Location: <u>DAR</u>	Location: _____	Account Number: _____
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.1.3 Schedule Sheet 3 of 4

(AT)

Replacing: 3rd Revised Sheet No. P13.4.3

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

ATTACHMENT A

(CR)

Number	Watts	Rate Key	Lamp Type / Fixture Type	Rate	Riders	Additional	Additional	Current	Current
						Facilities	Facilities	Monthly	Monthly
						Estimated	Estimated	Facilities	Rate / Rider
						<u>Cost</u>	<u>Cost</u>		
						<u>Existing</u>	<u>New</u>	<u>Charge (1)</u>	<u>Charge</u>
Nightwatchers									
	150	N4f	HPS / Acorn Unshielded	\$15.86	\$.	\$.	\$.	\$.	\$.
	400	N4g	HPS / Bronze Square Unshielded (2)	\$21.59	\$.	\$.	\$.	\$.	\$.
	1000	N4i	HPS / Bronze Square Unshielded (2)	\$33.62	\$.	\$.	\$.	\$.	\$.
	250	N4b	HPS / Cobra Unshielded	\$14.12	\$.	\$.	\$.	\$.	\$.
	400	N4c	HPS / Cobra Unshielded	\$15.94	\$.	\$.	\$.	\$.	\$.
	150	N4e	HPS / Colonial Unshielded	\$13.69	\$.	\$.	\$.	\$.	\$.
	100	N4a	HPS / Open Unshielded (2)	\$11.26	\$.	\$.	\$.	\$.	\$.
	150	L4e	HPS / Open Unshielded	\$8.47	\$.	\$.	\$.	\$.	\$.
	250	L4f	HPS / Open Unshielded	\$9.98	\$.	\$.	\$.	\$.	\$.
	400	L4g	HPS / Open Unshielded	\$11.67	\$.	\$.	\$.	\$.	\$.
	400	L4t	HPS / Shoebox Unshielded (2)	\$17.72	\$.	\$.	\$.	\$.	\$.
	1000	N4h	HPS / Shoebox Unshielded (2)	\$29.97	\$.	\$.	\$.	\$.	\$.
	150	N4PS	HPS / Cobra Shielded	\$11.80	\$.	\$.	\$.	\$.	\$.
	250	N4QS	HPS / Cobra Shielded	\$15.61	\$.	\$.	\$.	\$.	\$.
	400	N4RS	HPS / Cobra Shielded	\$17.31	\$.	\$.	\$.	\$.	\$.
	150	N4SS	HPS / Colonial Post Top Shielded	\$11.94	\$.	\$.	\$.	\$.	\$.
	300	L4h	Incandescent Unshielded (2)	\$7.70	\$.	\$.	\$.	\$.	\$.
	100	L4a	MV / Open Unshielded (2)	\$6.62	\$.	\$.	\$.	\$.	\$.
	175	L4b	MV / Open Unshielded	\$6.81	\$.	\$.	\$.	\$.	\$.
	250	L4c	MV / Open Unshielded	\$7.24	\$.	\$.	\$.	\$.	\$.
	400	L4d	MV / Open Unshielded (2)	\$8.88	\$.	\$.	\$.	\$.	\$.
	400	L4s	MV / Shoebox Unshielded (2)	\$13.44	\$.	\$.	\$.	\$.	\$.
	175	N4j	MH / Acorn Unshielded	\$20.63	\$.	\$.	\$.	\$.	\$.
	400	N4k	MH / Bronze Square Unshielded (2)	\$25.61	\$.	\$.	\$.	\$.	\$.
	1000	N4m	MH / Bronze Square Unshielded (2)	\$37.68	\$.	\$.	\$.	\$.	\$.
	400	N4d	MH / Cobra Unshielded	\$20.90	\$.	\$.	\$.	\$.	\$.
	400	L4n	MH / Open Unshielded	\$12.16	\$.	\$.	\$.	\$.	\$.
	400	L4u	MH / Shoebox Unshielded (2)	\$19.23	\$.	\$.	\$.	\$.	\$.
	1000	N4l	MH / Shoebox Unshielded (2)	\$34.63	\$.	\$.	\$.	\$.	\$.
Page Totals						\$.	\$.	\$.	\$.

(1) Total Additional Facilities Estimated Cost @ Monthly Rate from section 26.3 of Rate Schedule No. 26.

(2) Not Available to new customers.

(3) Includes supply line.

(4) Excludes supply line; includes internal 12/2 Romex or equivalent to connect fixture to underground secondary.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.1.4 Schedule Sheet 4 of 4

(AT)

Replacing: Original Sheet No. P13.4.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

ATTACHMENT A (continued)

Number	Watts	Rate Key	Lamp Type / Fixture Type	Rate	Riders	Additional Facilities Estimated Cost Existing	Additional Facilities Estimated Cost New	Current Monthly Facilities Charge (1)	Current Monthly Rate / Rider Charge
Floodlights									
	100	N4n	HPS / Flood (2)	\$12.72	\$.	\$.	\$.	\$.	\$.
	250	L4l	HPS / Flood	\$14.35	\$.	\$.	\$.	\$.	\$.
	400	L4m	HPS / Flood	\$15.41	\$.	\$.	\$.	\$.	\$.
	1,000	L4p	HPS / Flood (2)	\$20.22	\$.	\$.	\$.	\$.	\$.
	400	L4j	MV / Flood (2)	\$11.19	\$.	\$.	\$.	\$.	\$.
	1,000	L4k	MV / Flood (2)	\$17.59	\$.	\$.	\$.	\$.	\$.
	250	N4o	MH / Flood (2)	\$19.53	\$.	\$.	\$.	\$.	\$.
	400	L4q	MH / Flood	\$17.00	\$.	\$.	\$.	\$.	\$.
	1,000	L4r	MH / Flood (2)	\$23.08	\$.	\$.	\$.	\$.	\$.

(CR)

Poles / Pole Equipment									
	P4a	30 foot Wood Pole (3)	\$4.37	\$.	\$.	\$.	\$.	\$.	\$.
	P4b	35 foot Wood Pole (3)	\$5.34	\$.	\$.	\$.	\$.	\$.	\$.
	P4c	30 foot Bronze-5" Square Pole (4) (5)	\$11.34	\$.	\$.	\$.	\$.	\$.	\$.
	P4d	28 foot Concrete Octagon Pole (4) (5)	\$7.24	\$.	\$.	\$.	\$.	\$.	\$.
	P4e	18 foot Fiberglass Round Pole (4) (5)	\$3.56	\$.	\$.	\$.	\$.	\$.	\$.
	P4f	39 foot Bronze Round Tapered Pole (4) (5)	\$16.04	\$.	\$.	\$.	\$.	\$.	\$.
	P4g	Plugged 4-way Bronze Adapter (5)	\$2.59	\$.	\$.	\$.	\$.	\$.	\$.

(CR)

Cost of Other Facilities (additional facilities not listed above)

	\$.
	\$.
	\$.
	\$.
	\$.
	\$.
	\$.

Total Monthly Charges. Contract will contain Riders current on signing date.

\$. \$. \$. \$.

Company's Total Estimated Cost of Existing and New Facilities:

\$.

(1) Total Additional Facilities Estimated Cost @ Monthly Rate from section 26.3 of Rate Schedule No. 26.

(2) Not Available to new customers.

(3) Includes supply line.

(4) Excludes supply line; includes internal 12/2 Romex or equivalent to connect fixture to underground secondary.

(5) Available only as additional facilities to new applications

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.2.1 Schedule Sheet 1 of 4

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U

Order No.:

Effective:

PSC File Mark Only

13.4.2 Agreement for All Night Outdoor Lighting Service Rate Schedule L4, § 12.4 Energy Rate for Subdivision Owned Lighting Facilities

(NR)

This Agreement, made this XX day of XXXXXXXX, 20XX, between XXXXXXXX Property Owners Association ("Customer") located at XXXXXXXX, Arkansas, and Entergy Arkansas, Inc. ("EAI" or the "Company"), (collectively the "Parties"), provides the following;

The Parties agree as follows:

1. Customer Obligations

Customer shall provide, install, operate and maintain all facilities beyond the Company's point(s) of delivery and Company shall deliver thereto single-phase, 60 cycle, nominal 120 volt electric service. Customer's lighting facilities shall be equipped with photocells that automatically control the lamps to permit only dusk to dawn operation.

Customer shall provide the Company with a written inventory, in the form of Attachment A hereto, of all unmetered lighting at each point of delivery for which Customer requests service under § 12.4 of Rate Schedule L4, including the type, number and wattage rating for each lighting fixture to be installed. Customer shall update Attachment A for changes and inform the Company as such changes occur by sending the revised Attachment A to the Company noting changes in lamp type, rating, and/or quantity of lighting equipment.

Customer shall provide fusing that disconnects the Customer's facilities from those of the Company. Customer's facilities shall be disconnected from those of the Company prior to and during all maintenance except lamp replacements.

Customer shall identify Customer-owned facilities as not being the facilities of the Company through a Company supplied insignia that shall be attached to the facilities of the Customer at points designated by the Company.

2. Company Obligations

Company shall connect Customer's facilities to Company's existing underground secondary voltage facilities and shall provide only energy therefrom for Customer's outdoor lighting facilities as described herein on property located as noted below. Where additional facilities, including transformation must be installed to accommodate the additional load the Customer must pay the installed cost of such additional facilities.

XX.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.2.2 Schedule Sheet 2 of 4

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

Docket No.: 06-101-U
Order No.:
Effective:

PSC File Mark Only

3. Charges

Customer shall pay for such service under the terms and conditions set forth in this Agreement and in accordance with the provisions of Rate Schedule No. 12 and applicable Riders and as such Rate Schedule and/or applicable Riders may be lawfully amended from time to time.

4. Inspection / Maintenance

The Company has no duty to inspect, repair, replace lamps or otherwise maintain the lighting facilities of Customer to which this energy only service is provided.

5. Ownership Of Facilities

Company's existing or additional underground secondary voltage facilities installed by the Company in the performance of this Agreement shall remain the property of Company and Customer hereby grants to Company the right to enter and to use Customer's premises as it is necessary for the installation, maintenance and removal of such facilities.

6. Indemnity

In the event of injury or death to any person as a result of contact with said Customer owned facilities, the Customer shall defend, indemnify and hold the Company harmless from any and all claims, actions, causes of action and demands arising therefrom. Said obligation to defend, indemnify and hold harmless includes, but is not limited to payment of judgment, settlements or claims and litigation and preparation expense in connection therewith for discovery, expert witness fees, reasonable attorney's fees, and other such expenses.

7. Term

The term of this Agreement shall be from XXXXXXXX, 20XX, to XXXXXXXX, 20XX, or from the date service is first made available hereunder and continuing for a period of twenty-four (24) months, and shall be automatically extended for successive periods of one year each until terminated by written notice given by one party to the other not more than six months nor less than three months prior to the expiration of the original term or any anniversary thereof.

(NR)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.4.2.3 Schedule Sheet 3 of 4

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U

Order No.:

Effective:

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8. Entirety Of Agreement

This document constitutes the entire and only agreement between the Parties hereto with reference to the subject matter hereof and supersedes all previous understandings whether written or oral.

CUSTOMER

ENTERGY ARKANSAS, INC.

By: _____ By: _____

(Property Owners Association Representative)

(Company Representative)

Title: _____ Title: _____

Signature Date: _____ Signature Date: _____

DIS WR #: _____	Project #: _____	Business Unit: A0000
Department: _____	Resource: _____	Activity: _____ -
Physical Location: <u>DAR</u>	Location: _____	Account Number: _____
Commercial _____ (If private subdivision Lighting)	Public Street & Highway Lighting _____ (If public lighting for municipality or other divisions or agencies of state or federal governments.)	

(NR)

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.5.1

Schedule Sheet 1 of 3

(AT)

Replacing: Original

Sheet No. P13.5.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

13.5. Agreement for Collective Billing Service

(CT)

This Agreement is made _____, 20____
between _____

(CT)

____ ("Customer") and Entergy Arkansas, Inc. ("EAI" or the "Company"), collectively Parties.

WHEREAS:

Customer currently has multiple service locations in Company's service area as indicated by the accounts listed on Exhibit A attached hereto (the "Accounts").

The Company currently issues Customer a separate bill for each of the Accounts.

Customer has requested Company to summarize the billings for such Accounts in one statement.

(CT)

Company is willing to offer such a Collective Billing Service wherein the billings are summarized on one or more Collective Bills each month under the terms and conditions set forth below.

(CT)

THEREFORE, the Parties hereto agree as follows:

1. COLLECTIVE BILL

(CT)

Company will monthly render a Collective Bill, summarizing the bills for the customer's individual accounts for which the customer has requested such service.

(CT,RT)

2. PAYMENT

(RT)

(AT)

The amount shown as owed on each Collective Bill will be due upon receipt. Payment shall be made in accordance with Rate Schedule No. 29, Charges related to Customer Activity (CAC), § 29.19.2. Payment will be considered delinquent if not received by the Company, either (a) via physical delivery by mail or courier or (b) via electronic funds transfer, within the period specified in Rate Schedule No. 29, § 29.19.2. If the payment becomes delinquent, Company may exercise the rights and privileges afforded it by the Arkansas Public Service Commission ("APSC" or the "Commission") General Service Rules, or successor thereto, with regard to delinquent accounts, and all Accounts on that Collective Bill will be subject to service interruption. Collective Bill accounts that become delinquent may be deemed ineligible for this Collective Billing Service Rider at the Company's sole option and be removed from Collective Billing. When applicable

(CT)

(CT)

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.5.2

Schedule Sheet 2 of 3

(AT)

Replacing: Original

Sheet No. P13.5.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

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holidays occur from the date of mailing through the date by which the bill must be paid to avoid delinquency, the due date will be extended by one day per applicable holiday. The following is a list of the applicable holidays:

(CT)

- | | | |
|------------------------|-------------------|----------------------|
| 1. New Year's Day | 4. Memorial Day | 7. Thanksgiving Day |
| 2. M. L. King, Jr. Day | 5. Fourth of July | 8. Christmas Eve Day |
| 3. President's Day | 6. Labor Day | 9. Christmas Day |

If Customer in good faith disagrees with any individual account on a Collective Bill rendered by Company, it shall so notify Company prior to the day the Collective Account becomes delinquent. All disputed bills shall be handled in accordance with the APSC Rules.

(CT)

3. CHARGE FOR SERVICE

There will be no additional charge for the service initially. However, Company reserves the right to implement a charge for the service upon appropriate regulatory approval and thirty (30) days written notice to Customer.

4. RIGHT TO CANCEL

Either party hereto may cancel this Agreement upon thirty (30) days notice to the other.

5. NOTICE

Any notice, consent, or other communication, except the mailing and payment of the Collective Bill as described in § 2 above, shall be properly given when deposited in the U.S. mail, postage prepaid, registered or certified, and addressed to the appropriate address as shown below, or to such other address as a party may stipulate in writing.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.5.3 Schedule Sheet 3 of 3

(AT)

Replacing: Original Sheet No. P13.5.3

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

6. CONFLICTS

This Agreement deals only with the rendering of bills and payment dates under the Company's Collective Billing Service procedure. This Agreement does not alter or supersede any contract, rate schedule or other agreement except to the extent that such contract, rate schedule or other agreement may be in conflict with this Agreement with regard to the rendering of bills under the Collective Billing Service procedure.

(CT)

(CT)

7. APPROVALS

Customer

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Date: _____

Title: _____

Date: _____

Address: _____

Address: P. O. Box 551
Little Rock, AR 72203-0551

Attn: _____

Attn: _____

(CT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised Sheet No. P13.6.1 Schedule Sheet 1 of 1

(AT)

Replacing: 2nd Revised Sheet No. P13.6.1

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U
Order No.:
Effective:

PSC File Mark Only

13.6. Agreement for Underground Service Connection

Date of Letter

Customer Name
Address
City, State Zip Code

RE: Underground Service to (Property Location)

Dear Customer Name:

On (Date of Request), you requested that Entergy provide underground electrical service at the referenced location. With respect to the options you have chosen, the approximate charge you will incur by the Company is a base cost of (\$ Base Cost) and (\$ Cost per foot) per foot.

Example of Formula:

Base Cost:	\$ Base Cost
Number of feet:	100 feet
Costs per foot:	\$ Cost per foot
Total (Base Cost + 100 X cost per foot):	\$ Total Cost

The above formula is simply an example of how the charges will be calculated. The Company will measure the service length and include the installation charge on your next monthly bill. This charge will appear on the bill as a line item described as "Contribution in Aid of Construction." The Company reserves the right to require payment of the full amount in advance of construction if it deems such requirement appropriate.

You will be required to build and install a meter loop according to the attached specifications prior to service installation. The meter base used in this installation must meet Company specifications. The Company will complete its installation only after your installation has passed any electrical inspection that may be required by local building codes.

The Company's responsibility does not include the replacement or repair of customer's real estate amenities associated with the installation of this customer requested service. These amenities include, but are not limited to, grass, sod, topsoil, shrubbery, trees, landscape or vegetation item.

Sincerely,

Company Representative
Centralized Administration
Attachment: Meter Loop Specifications

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised

Sheet No. P13.7.1

Schedule Sheet 1 of 4

(AT)

Replacing: 2nd Revised

Sheet No. P13.7.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.7. EXTENSION OF SERVICE AGREEMENT

This Agreement was made and entered into on _____, by and between _____ ("Customer" or "Applicant") and Entergy Arkansas, Inc. ("EAI" or the "Company"), a corporation.

1. GENERAL

When service to an Applicant requires an extension of the Company's facilities and there will be a cost to the Applicant for such extension, Arkansas Public Service Commission General Service Rule 3.03.B provides that the Company may require the Applicant to sign an Extension of Service Agreement ("Agreement"). The Agreement and any required pre-construction payment by the Applicant must be returned to the Company before construction of the extension can begin.

2. APPLICANT DATA

Address of Applicant: _____

Initial application date: _____

Service point location and description: _____

Description of work: _____

Characteristics of service: _____ kVA, @ approximately _____ volts, _____ wire, _____ (grounding), _____ phase and a nominal frequency of 60 cycles

3. SKETCH OF CONSTRUCTION ROUTE

A sketch of the construction route is provided as Attachment A.

4. EXPLANATION OF COSTS

An explanation of all costs in reasonable detail is provided as Attachment B.

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised

Sheet No. P13.7.2

Schedule Sheet 2 of 4

(AT)

Replacing: 2nd Revised

Sheet No. P13.7.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

5. PRE-CONSTRUCTION APPLICANT OBLIGATIONS

The Applicant shall obtain all necessary rights of way from all property owners over whose property the line shall be located, and complete the applicable form(s) supplied by the Company, that grants to the Company (or its successors and assigns) the rights and privileges to construct, maintain and operate said line. Such completed forms shall be appropriately signed and delivered to the Company prior to construction.

It is expressly understood that said rights of way and all electrical facilities erected for serving the Customer under this Agreement shall always be and remain the property of the Company. The Company has the right to serve any other customers from said line or any extension thereof at any time.

The Customer agrees to complete the additional items listed below before the Company begins construction. These items may include but are not limited to the acquisition of permits and right-of-way clearing. If the Customer has no such obligations the space below shall show "None".

6. ESTIMATED CONSTRUCTION START AND COMPLETION DATES

Construction will start when this Agreement and any required pre-construction payment are returned to the Company and the items in § 5 above, if any, have been completed. Weather and/or ground conditions permitting construction will begin within _____ Business Days of the receipt of this Agreement or the completion of § 5 items, whichever is later. It is estimated that under normal conditions the construction will require approximately _____ Business Days from the start of construction.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.7.3

Schedule Sheet 3 of 4

(AT)

Replacing: Original

Sheet No. P13.7.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

7. TERMS OF PAYMENT (Pursuant to Rate Schedule No. 60)

Under the terms of EAI's Rate Schedule No. 60, Extension of Facilities, if the Company's Estimated Investment in the extension is not justified by the Applicant's estimated annual Revenue, the Applicant may choose one of the following options:

1. make monthly Guaranteed Payments based on the amount of the Estimated Investment but make no non-refundable contribution in aid of construction ("Contribution");
2. make a Contribution in the form of cash, labor and/or material equal to the amount of the Estimated Investment but make no monthly Guaranteed Payments based on the amount of the Estimated Investment;
3. make a Contribution in the form of cash, labor and/or material equal to any portion of the Estimated Investment and also agree to make monthly Guaranteed Payments calculated based on the Estimated Investment less such Contribution.

The "amount" blanks below will be completed according to the option chosen above.

The Applicant shall pay the Company a Contribution of \$_____ prior to the beginning of construction. After service is initiated the Customer agrees to pay, as a monthly bill amount, the greater of \$_____ or the amount calculated according to the rate schedule under which the Customer is receiving service. The Customer will also be required to enter into an Agreement For Electric Service for a Term of not less than three years ("Initial Term") containing the bill amount inserted above if that amount is greater than zero. The obligation to pay such monthly amount will continue after the Initial Term for as long as service is provided to the Customer by the Company. If the Customer ceases to take service prior to the end of the Initial Term the balance of the monthly bill amounts specified above for the remainder of the Initial Term shall become due and be paid by the Customer.

8. REIMBURSEMENT BY COMPANY

There will be no reimbursement by the Company to the Customer.

9. ENGINEERING STUDY SUMMARY

The engineering study if necessary to design this extension is attached as Attachment C.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.7.4

Schedule Sheet 4 of 4

(AT)

Replacing: 1st Revised

Sheet No. P13.7.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

10. OTHER CONTRACT REQUIREMENTS

An Agreement for Electric Service shall be required dated with the above date and executed by the Parties hereto if the Customer chooses to pay Guaranteed Payments pursuant to § 7.

11. APPROVALS

APPLICANT

ENTERGY ARKANSAS, INC.

By:

By:

Date: _____

Approved:

Title:

Date: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.8.1

Schedule Sheet 1 of 2

(AT)

Replacing: 1st Revised

Sheet No. P13.8.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.8. Agreement to Change Existing Facilities

THIS AGREEMENT, made and entered into on _____, by and between _____ ("Customer") of the City of _____, County of _____, Arkansas, and Entergy Arkansas, Inc., ("EAI" or the "Company");

1. Company, will within a reasonable time, change existing electric facilities as follows:

2. CUSTOMER, having requested the aforementioned work, and in consideration of the facilities to be provided by Company, does hereby agree to contribute to Company prior to construction cash in the amount of \$ _____.

3. It is not intended that Customer will acquire any rights or interest in the facilities of Company by reason of this payment toward the cost of the aforementioned work.

4. CUSTOMER shall obtain all necessary rights of way, and complete the applicable form(s) supplied by Company, from all property owners over which the line shall be located granting to Company, its successors and assigns, the rights and privileges to construct, maintain and operate said line. Such completed forms shall be appropriately signed and delivered to Company prior to construction.

5. It is expressly understood that said rights of way and all electrical facilities erected for serving Customer under this Agreement shall always be and remain the property of Company, and Company has the right to serve any other customers from said line or any extension thereof at any time.

6. Other Provisions: _____

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.8.2

Schedule Sheet 2 of 2

(AT)

Replacing: 1st Revised

Sheet No. P13.8.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric Class of Service: All

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U

Order No.:

Effective:

PSC File Mark Only

CUSTOMER

By: _____

Title: _____

ENTERGY ARKANSAS, INC.

By: _____

COMPANY AGENT

Approved: _____

Title: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised

Sheet No. P13.9.1.1

Schedule Sheet 1 of 4

(AT)

Replacing: 2nd Revised

Sheet No. P13.9.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

13.9. Agreements for Residential Underground Electric Distribution System in Subdivision

13.9.1 Subdivision in an Incorporated Area with Street Lighting

(AT)

THIS AGREEMENT made and entered into on _____, by and between Entergy Arkansas, Inc., ("EAI" or the "Company"), and _____, ("Developer"), collectively (the "Parties");

WHEREAS, Developer has requested Company to, and Company is willing to, provide an underground electric distribution and street lighting system for Lots _____ inclusive, of the _____ Subdivision to the City of _____, State of Arkansas.

NOW, THEREFORE, the Parties hereto agree as follows:

- I. The construction proposed and electric utility easements required by Company are shown on a plat entitled _____ attached hereto and made a part hereof, which plat is based upon subdivision plat provided by Developer, dated _____, prepared by _____, and owner certified that said plat has been approved by appropriate municipal authorities in the City of _____, County of _____, and has been filed in the office of the Circuit Clerk of _____ County, Arkansas, and that all information and detail is full and correct as shown.

(RT)
(RT)

II. Company agrees:

- A. To furnish and install in trenches, excavations and conduits to be provided by Developer all primary and secondary cables and appurtenant equipment, to provide a complete electric distribution system as shown on the attached plat including, but not limited to, cables, transformers, and service connection points.
- B. To operate and maintain the electrical distribution system owned by it.
- C. To make all connection of underground residential services to its underground distribution system.
- D. To furnish and install in trenches, excavations and conduits to be provided by Developer all street lighting cables and appurtenant equipment, to provide a complete street lighting system of _____ street lighting units as shown on the attached plat, including, but not limited to, poles, fixtures, cables and connections. Each of said units will consist of _____.
- E. To operate and maintain the electrical street lighting system in accordance with an agreement for street lighting service.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.9.1.2

Schedule Sheet 2 of 4

(AT)

Replacing: 1st Revised

Sheet No. P13.9.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

III. Developer agrees:

- A. To provide all easements and rights-of-way and protective provisions required by Company and include such provisions in the plat and Bill of Assurance after the provisions have been approved by Company.
- B. That all provisions of the easements and rights-of-way granted to Company shall be incorporated in the plat, Bill of Assurance, or other documents which shall be filed for record prior to sale of any lot and to provide in the Bill of Assurance that any change in the plat and/or Bill of Assurance shall require the prior approval of the Company.
- C. That the Bill of Assurance shall include the following language: "Obstructions around electrical equipment may cause delays in restoring electrical service. Fences, shrubs, trees and other permanent structures may not be placed closer than 12 feet in front of the doors or 3 feet from the sides or back of any electrical equipment or junction boxes". Developer must provide a copy of the filed plat and Bill of Assurance to EAI before construction can begin.
- D. To require electric service to all structures in said subdivision to be underground.
- E. To grade the easements to final grade, excavate and later backfill all trenches and other excavations required by Company for its electrical distribution facilities and install conduit as required under paved areas. The excavation and backfill for approximately _____ linear feet is valued at \$_____. The estimated cost of furnishing and installation of conduit under paved areas is valued at \$_____ for material and \$_____ for labor.
- F. To grade the easements to final grade, excavate and later backfill all trenches required by Company for its street lighting facilities, install conduits as required and erect necessary foundations for all street light poles.
- G. That all excavation, backfill and other work done by Developer shall be done in accordance with Company specifications, properly located within the easements granted and accomplished in a manner as to allow for continuous installation of cables, transformers, street lights and other equipment.
- H. To install and maintain during any construction in vicinity of Company's facilities, construction survey stakes indicating grades, property lines and locations of any underground facilities in order to avoid damage to Company's facilities or to other facilities by Company's construction.
- I. To reimburse Company for any cost of relocation, additions to, or changes in its facilities occasioned by changes in grade, re-plat of lots, or change in usage designated in the Bill of Assurance.

(AT)

(CT)

(CT,AT)

(CT)

(CT)

(CT)

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised

Sheet No. P13.9.1.3

Schedule Sheet 3 of 4

(AT)

Replacing: 2nd Revised

Sheet No. P13.9.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

- J. To pay Company a non-refundable contribution in aid of this special underground street lighting construction in the amount of _____ Dollars (\$_____) for each complete unit installed.

(MT,CT)

IV. It is further agreed that:

- A. In the event any lot(s) covered by said easements are conveyed by Developer before construction of Company facilities is completed on said conveyed lot(s), Developer shall nevertheless be required to comply with the terms of this agreement and in connection therewith to indemnify and hold harmless Company from any and all damages in connection therewith.
- B. This agreement, insofar as it relates to the underground street lighting system, shall become binding upon Company only after proper authorization has been obtained from the City of _____ for the installation of the street lights called for herein and an agreement has been executed by the City to pay Company for maintenance and operation of these lights in accordance with the Company's Rate Schedule L1 for municipal street lighting service.
- C. Temporary service for construction power is not a part of this Agreement but can be provided in accordance with Company's rate schedules.
- D. This agreement is contingent upon compliance by Developer with all requirements of Company's Rate Schedule No. 61, Tariff Governing the Installation of Electric Underground Residential Distribution Systems and Underground Service Connections, Policy Schedule No. 9, Service Regulations and Company's other applicable rate schedules.
- E. This Agreement is further contingent upon approval by Company's President, Vice President or Department Director.

(CT)

(CT)

(MT)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.1.4 Schedule Sheet 4 of 4

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed
on _____.

(MT)

(CUSTOMER)

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Title: _____

(Customer's Secretary)

Signature Date: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

(CT,AT)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.2.1 Schedule Sheet 1 of 3

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Docket No.: 06-101-U
Order No.:
Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

13.9.2 Subdivision in an Incorporated Area without Street Lighting

(NR)

THIS AGREEMENT made and entered into on _____, by and between Entergy Arkansas, Inc., ("EAI" or the "Company"), and _____, ("Developer"), collectively (the "Parties");

WHEREAS, Developer has requested Company to, and Company is willing to, provide an underground electric distribution system for Lots _____ inclusive, of the _____ Subdivision to the City of _____, State of Arkansas.

NOW, THEREFORE, the Parties hereto agree as follows:

I. The construction proposed and electric utility easements required by Company are shown on a plat entitled _____ attached hereto and made a part hereof, which plat is based upon subdivision plat provided by Developer, dated _____, prepared by _____, and owner certified that said plat has been approved by appropriate municipal authorities in the City of _____, County of _____, and has been filed in the office of the Circuit Clerk of _____ County, Arkansas, and that all information and detail is full and correct as shown.

II. Company agrees:

- A. To furnish and install in trenches, excavations and conduits to be provided by Developer all primary and secondary cables and appurtenant equipment, to provide a complete electric distribution system as shown on the attached plat including, but not limited to, cables, transformers, and service connection points.
- B. To operate and maintain the electrical distribution system owned by it.
- C. To make all connection of underground residential services to its underground distribution system.

III. Developer agrees:

- A. To provide all easements and rights-of-way and protective provisions required by Company and include such provisions in the plat and Bill of Assurance after the provisions have been approved by Company.
- B. That all provisions of the easements and rights-of-way granted to Company shall be incorporated in the plat, Bill of Assurance, or other documents which shall be filed for record prior to sale of any lot and to provide in the Bill of Assurance that any change in the plat and/or Bill of Assurance shall require the prior approval of the Company.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.2.2 Schedule Sheet 2 of 3

Replacing: Sheet No.

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

- C. That the Bill of Assurance shall include the following language: "Obstructions around electrical equipment may cause delays in restoring electrical service. Fences, shrubs, trees and other permanent structures may not be placed closer than 12 feet in front of the doors or 3 feet from the sides or back of any electrical equipment or junction boxes". Developer must provide a copy of the filed plat and Bill of Assurance to EAI before construction can begin.
- D. To require electric service to all structures in said subdivision to be underground.
- E. To grade the easements to final grade, excavate and later backfill all trenches and other excavations required by Company for its electrical distribution facilities and install conduit as required under paved areas. The excavation and backfill for approximately _____ linear feet is valued at \$ _____. The estimated cost of furnishing and installation of conduit under paved areas is valued at \$ _____ for material and \$ _____ for labor.
- F. That all excavation, backfill and other work done by Developer shall be done in accordance with Company specifications, properly located within the easements granted and accomplished in a manner as to allow for continuous installation of cables, transformers and other equipment.
- G. To install and maintain during any construction in vicinity of Company's facilities, construction survey stakes indicating grades, property lines and locations of any underground facilities in order to avoid damage to Company's facilities or to other facilities by Company's construction.
- H. To reimburse Company for any cost of relocation, additions to, or changes in its facilities occasioned by changes in grade, re-plat of lots, or change in usage designated in the Bill of Assurance.
- I. To pay Company a non-refundable contribution in aid of this special underground street lighting construction in the amount of _____ Dollars (\$ _____) for each complete unit installed.
- IV. It is further agreed that:
- A. In the event any lot(s) covered by said easements are conveyed by Developer before construction of Company facilities is completed on said conveyed lot(s), Developer shall nevertheless be required to comply with the terms of this agreement and in connection therewith to indemnify and hold harmless Company from any and all damages in connection therewith.
- B. Temporary service for construction power is not a part of this Agreement but can be provided in accordance with Company's rate schedules.

(NR)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.2.3 Schedule Sheet 3 of 3

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Part IV. Policy Schedule No.: 13

Title: Contract Forms

Docket No.: 06-101-U
Order No.:
Effective:

PSC File Mark Only

- C. This agreement is contingent upon compliance by Developer with all requirements of Company's Rate Schedule No. 61, Tariff Governing the Installation of Electric Underground Residential Distribution Systems and Underground Service Connections, Policy Schedule No. 9, Service Regulations and Company's other applicable rate schedules.
- D. This Agreement is further contingent upon approval by Company's President, Vice President or Department Director.

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed on _____.

(CUSTOMER)

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Title: _____

(Customer's Secretary)

Signature Date: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.9.3.1

Schedule Sheet 1 of 4

(AT)

Replacing: Original

Sheet No. P13.9.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.9.3 Subdivision in an Unincorporated Area with Street Lighting

(AT)

THIS AGREEMENT made and entered into on _____, by and between Entergy Arkansas, Inc., ("EAI" or the "Company"), and _____, ("Developer"), collectively (the "Parties");

WHEREAS, Developer has requested Company to, and Company is willing to, provide an underground electric distribution and street lighting system for Lots _____ inclusive, of the _____ community of the County of _____, State of Arkansas.

NOW, THEREFORE, the Parties hereto agree as follows:

- I. The construction proposed and electric utility easements required by Company are shown on a plat entitled _____ attached hereto and made a part hereof, which plat is based upon plat provided by Developer, dated _____, prepared by _____, and owner certified that said plat has been approved by all appropriate governmental authorities and has been filed in the office of the Circuit Clerk of _____ County, Arkansas, and that all information and detail is full and correct as shown.

(RT)

II. Company agrees:

- A. To furnish and install in trenches, excavations and conduits to be provided by Developer all primary and secondary cables and appurtenant equipment, to provide a complete electric distribution system as shown on the attached plat including, but not limited to, cables, transformers, and service connection points.
- B. To operate and maintain the electrical distribution system owned by it.
- C. To make all connection of underground residential services to its underground distribution system.
- D. To furnish and install in trenches, excavations and conduits to be provided by Developer all street lighting cables and appurtenant equipment, to provide a complete street lighting system of _____ street lighting units as shown on the attached plat, including, but not limited to, poles, fixtures, cables and connections. Each of said units will consist of _____.
- E. To operate and maintain the electrical street lighting system in accordance with an agreement for street lighting service.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.9.3.2

Schedule Sheet 2 of 4

(AT)

Replacing: Original

Sheet No. P13.9.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

III. Developer agrees:

A. To provide all easements and rights-of-way and protective provisions required by Company which shall be incorporated and include such provisions in the plat and Bill of Assurance after the provisions have been approved by Company.

(CT)

B. That all provisions of the easements and rights-of-way granted to Company shall be incorporated in the plat, Bill of Assurance, or other documents which shall be filed for record prior to sale of any lot and to provide in the Bill of Assurance that any change in the plat and/or Bill of Assurance shall require the prior approval of the Company.

C. That the Bill of Assurance shall include the following language: "Obstructions around electrical equipment may cause delays in restoring electrical service. Fences, shrubs, trees and other permanent structures may not be placed closer than 12 feet in front of the doors or 3 feet from the sides or back of any electrical equipment or junction boxes". Developer must provide a copy of the filed plat and Bill of Assurance to EAI before construction can begin.

(AT)

D. To require electric service to all structures in said subdivision to be underground.

(CT)

E. To grade the easements to final grade, excavate approximately _____ linear feet and later backfill all trenches and other excavations required by Company for its electrical distribution facilities and install conduits as required.

(RT,CT)

F. To grade the easements to final grade, excavate and later backfill all trenches required by Company for its street lighting facilities, install conduits as required and erect necessary foundations for all street light poles.

(CT)

(RT)

G. That all excavation, backfill and other work done by Developer shall be done in accordance with Company specifications, properly located within the easements granted and accomplished in a manner as to allow for continuous installation of cables, transformers, street lights and other equipment.

(CT)

H. To install and maintain during any construction in vicinity of Company's facilities, construction survey stakes indicating grades, property lines and locations of any underground facilities in order to avoid damage to Company's facilities or to other facilities by Company's construction.

(CT)

I. To reimburse Company for any cost of relocation, additions to, or changes in its facilities occasioned by changes in grade, re-plat of lots, or change in usage designated in the Bill of Assurance.

(CT)

J. To pay Company a non-refundable contribution in aid of this special underground street lighting construction in the amount of _____ Dollars (\$_____) for each complete unit installed.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.9.3.3

Schedule Sheet 3 of 4

(AT)

Replacing: Original

Sheet No. P13.9.6

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

IV. It is further agreed that:

- A. In the event any lot(s) covered by said easements are conveyed by Developer before construction of Company facilities is completed on said conveyed lot(s), Developer shall nevertheless be required to comply with the terms of this agreement and in connection therewith to indemnify and hold harmless Company from any and all damages in connection therewith.
- B. This Agreement, insofar as it relates to the underground street light system, shall become binding upon Company only after:
 1. The execution of an agreement for all night outdoor lighting service in accordance with Company Rate Schedule No. L4 between Company and a property owner's association duly authorized to contract on behalf of residents of _____ community; or
 2. the execution of an agreement for metered service in accordance with Company Rate Schedule No. 4, Small General Service between Company and Developer for service to such underground street light system as may be built by Developer consistent with Company standards and specifications.
- C. Temporary service for construction power are not a part of this Agreement but can be provided in accordance with Company's rate schedules.
- D. This agreement is contingent upon compliance by Developer with all requirements of Company's Rate Schedule No. 61, Tariff Governing The Installation of Electric Underground Residential Distribution Systems and Underground Service Connections, Policy Schedule No. 9, Service Regulations and Company's other applicable rate schedules.
- E. This Agreement is further contingent upon approval by Company's President, Vice President or Department Director.

(CT)

(RT)

(RT)

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.9.3.4 Schedule Sheet 4 of 4

Replacing: Original Sheet No. P13.9.7

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Docket No.: 06-101-U
Order No.:
Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed
on _____.

(CUSTOMER)

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Title: _____

(Customer's Secretary)

Signature Date: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.4.1 Schedule Sheet 1 of 3

Replacing: Sheet No. _____

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U
Order No.:
Effective:

PSC File Mark Only

13.9.4 Subdivision in an Unincorporated Area without Street Lighting

THIS AGREEMENT made and entered into on _____, by and between Entergy Arkansas, Inc., ("EAI" or the "Company"), and _____, ("Developer"), collectively (the "Parties");

WHEREAS, Developer has requested Company to, and Company is willing to, provide an underground electric distribution system for Lots _____ inclusive, of the _____ community of the County of _____, State of Arkansas.

NOW, THEREFORE, the Parties hereto agree as follows:

- I. The construction proposed and electric utility easements required by Company are shown on a plat entitled _____ attached hereto and made a part hereof, which plat is based upon plat provided by Developer, dated _____, prepared by _____, and owner certified that said plat has been approved by all appropriate governmental authorities in the City of _____, County of _____, and has been filed in the office of the Circuit Clerk of _____ County, Arkansas, and that all information and detail is full and correct as shown.
- II. **Company agrees:**
 - A. To furnish and install in trenches, excavations and conduits to be provided by Developer all primary and secondary cables and appurtenant equipment, to provide a complete electric distribution system as shown on the attached plat including, but not limited to, cables, transformers, and service connection points.
 - B. To operate and maintain the electrical distribution system owned by it.
 - C. To make all connection of underground residential services to its underground distribution system.
- III. **Developer agrees:**
 - A. To provide all easements and rights-of-way and protective provisions required by Company and include such provisions in the plat and Bill of Assurance after the provisions have been approved by Company.
 - B. That all provisions of the easements and rights-of-way granted to Company shall be incorporated in the plat, Bill of Assurance, or other documents which shall be filed for record prior to sale of any lot and to provide in the Bill of Assurance that any change in the plat and/or Bill of Assurance shall require the prior approval of the Company.

(NR)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.4.2 Schedule Sheet 2 of 3

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

- C. That the Bill of Assurance shall include the following language: "Obstructions around electrical equipment may cause delays in restoring electrical service. Fences, shrubs, trees and other permanent structures may not be placed closer than 12 feet in front of the doors or 3 feet from the sides or back of any electrical equipment or junction boxes". Developer must provide a copy of the filed plat and Bill of Assurance to EAI before construction can begin.
- D. To require electric service to all structures in said subdivision to be underground.
- E. To grade the easements to final grade, excavate approximately _____ linear feet and later backfill all trenches and other excavations required by Company for its electrical distribution facilities and install conduits as required.
- F. That all excavation, backfill and other work done by Developer shall be done in accordance with Company specifications, properly located within the easements granted and accomplished in a manner as to allow for continuous installation of cables, transformers and other equipment.
- G. To install and maintain during any construction in vicinity of Company's facilities, construction survey stakes indicating grades, property lines and locations of any underground facilities in order to avoid damage to Company's facilities or to other facilities by Company's construction.
- H. To reimburse Company for any cost of relocation, additions to, or changes in its facilities occasioned by changes in grade, re-plat of lots, or change in usage designated in the Bill of Assurance
- IV. It is further agreed that:
- A. In the event any lot(s) covered by said easements are conveyed by Developer before construction of Company facilities is completed on said conveyed lot(s), Developer shall nevertheless be required to comply with the terms of this agreement and in connection therewith to indemnify and hold harmless Company from any and all damages in connection therewith.
- B. Temporary service for construction power is not a part of this Agreement but can be provided in accordance with Company's rate schedules.
- C. This agreement is contingent upon compliance by Developer with all requirements of Company's Rate Schedule No. 61, Tariff Governing The Installation of Electric Underground Residential Distribution Systems and Underground Service Connections, Policy Schedule No. 9, Service Regulations and Company's other applicable rate schedules.
- D. This Agreement is further contingent upon approval by Company's President, Vice President or Department Director.

(NR)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.9.4.3 Schedule Sheet 3 of 3

Replacing: Sheet No. _____

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Docket No.: 06-101-U
Order No.:
Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed
on _____.

(CUSTOMER)

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Title: _____

(Customer's Secretary)

Signature Date: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.10.1.1

Schedule Sheet 1 of 3

(AT)

Replacing: 1st Revised Sheet No. P13.10.1

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.10. Facilities Agreements

13.10.1. Facilities Agreement

This Agreement, made and entered into _____, by and between _____, ("Customer") and Entergy Arkansas, Inc., ("EAI" or the "Company");

A. Premise Location

Customer has contracted with Company for the supply of electric power and energy for the operation of Customer's _____ located at or near _____, Arkansas.

B. Additional Facilities Requested

Customer has requested Company to additionally provide, install, operate and maintain the Additional Facilities listed on Attachment A to this Agreement which are over and above those facilities that Company would normally install for the Customer's load and service requirements.

C. Rate Schedules

Company will provide said Additional Facilities in accordance with Additional Facilities Charge Rider (AFCR), Rate Schedule No. 26 and Company's Policy Schedule No. 9, Service Regulations, copies of which are attached and made a part hereof, or such other effective superseding rate schedule(s) and Service Regulations as may be authorized by duly constituted regulatory authority exercising lawful jurisdiction or as may become effective in the manner provided by law. Customer agrees to promptly pay all charges for such additional facilities as provided in said schedule and regulations.

(AT)

D. Monthly Charges

The monthly charges under the Additional Facilities Charge Rider (AFCR), Rate Schedule No. 26 shall be based on the installed cost of such Additional Facilities as shown below in accordance with § 26.3, Option A or § 26.4, Option B whichever is applicable.

(AT)

(CT)

Option A:

Customer's monthly payment under Option A will be based on an installed cost of such additional facilities of XXXXXXXXXXXXXXXXXX and will be calculated by multiplying such cost by the then current rate per month under Option A.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.10.1.2

Schedule Sheet 2 of 3

(AT)

Replacing: 1st Revised Sheet No. P13.10.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

Option B:

Customer's monthly payment under Option B will be based on an installed cost of such additional facilities of XXXXXXXXXXXXXXXXXX and will be calculated by multiplying such installed cost by the "Monthly % During Recovery Term" applicable to the "Selected Recovery Term" selected by the Customer. Beginning with the first month after the end of the "Selected Recovery Term" and each month thereafter the Customer will pay an amount calculated by multiplying such installed cost by the "Monthly % Post Recovery Term".

E. Indemnity

Company shall have exclusive control of and access to said facilities and Customer will not permit its employees or agents to come in contact with said facilities. In the event an employee or agent of Customer is injured or killed by contacting said facilities, the Customer shall defend, indemnify and hold the Company harmless from any and all claims, actions, causes of action and demands arising from such injuries or death of agents, or employees of Customer. Said obligation to defend, indemnify and hold harmless includes, but is not limited to payment of judgment, settlements or claims and litigation and preparation expense in connection therewith for discovery, expert witness fees, reasonable attorney's fees, and other such expenses.

F. Term

The term of this Agreement shall be as follows in accordance with Additional Facilities Charge Rider (AFCR), Rate Schedule No. 26:

(AT)

Option A:

The term of this Agreement shall be from Month Day, Year or the date said facilities are first made ready for use, whichever occurs earlier, and for a period of 10 years thereafter. This term shall be automatically extended for successive periods of one year each until terminated by written notice given by one party to the other not more than six months nor less than three months prior to the expiration date of the original term or any anniversary thereof.

Option B:

The term of this Agreement shall be from Month Day, Year or the date said facilities are first made ready for use, whichever occurs earlier, and for a period of ____ years thereafter.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.10.1.3

Schedule Sheet 3 of 3

(AT)

Replacing: 1st Revised Sheet No. P13.10.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

G. Termination Charges:

If Customer ceases to take electric service from Company at the above Premise Location, Company may remove said additional facilities and Customer shall pay Company the termination charges set forth in the Contract Term provisions of Rate Schedule No. 26. In the event the Customer does not require the additional facilities for the full term of the Contract and wishes to cancel this Contract prior to the expiration date, Company reserves the right to remove such additional facilities and will consent to the cancellation of the Contract provided Customer pays to the Company the applicable termination charges set forth in the Contract Term provisions of Rate Schedule No. 26.

(AT)

(CT)

H. Ownership of Facilities

Title to all such additional facilities shall remain in the Company. Upon termination of this Agreement or in the event of non-payment of the applicable charges therefor, Company shall have the right to remove all such facilities.

I. Approval

This Agreement is contingent upon approval by Company's President, Vice President or Department Director.

CUSTOMER

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Title: _____

Title: _____

Signature Date _____

Approved: _____

ATTEST: _____

Title: _____

Customer's Secretary

Signature Date _____

Signature Date _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION2nd RevisedSheet No. P13.10.1.1.1

Schedule Sheet 1 of 1

(AT)

Replacing: 1st Revised Sheet No. P13.10.4Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13**Title: Contract Forms**

PSC File Mark Only

13.10.1.1.Attachment A to Facilities Agreement

- A. The following additional facilities requested by the Customer shall be installed by the Company and Customer shall pay a monthly charge based on the estimated installed cost of such facilities of \$_____. The monthly charge shall be calculated using the then current rates from the provisions of Option A or Option B of Rate Schedule No. 26 as applicable. The monthly charge shall become effective Month Year.
- B. The monthly charge shall be modified to reflect actual installed costs when such costs are available and the balance of the Facilities Agreement reflecting such actual costs shall be completed and signed by the Customer and Company.
- C. The Additional Facilities to be installed are as follows:

<u>ITEM</u>	<u>ESTIMATED INSTALLED COST</u>
xx	\$xxxxxxxxxxxxxx

(AT)

By: _____ CUSTOMER By: _____ ENTERGY ARKANSAS, INC.

Title: _____ Title: _____

Signature Date _____ Approved: _____

ATTEST: _____ Title: _____

Customer's Secretary

Signature Date _____ Signature Date _____

(AT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.10.2.1

Schedule Sheet 1 of 2

(AT)

Replacing: 1st Revised Sheet No. P13.10.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.10.2. AMENDMENT TO FACILITIES AGREEMENT FOR REMOVAL/RELOCATION OF FACILITIES

Amendment No. XX

To Facilities Agreement Dated XXXXXXXXXX

Pursuant To Additional Facilities Charge Rider (AFCR) § 26.3 or § 26.4

(For Removal/Relocation of Facilities)

(CT)

THIS AMENDMENT is made and entered into this XXX day of XXXXXX, XXXX, by and between XXXXXXXXXXXXXXXX ("Customer") and Entergy Arkansas, Inc. ("Company").

A. Company and Customer are parties to a Facilities Agreement dated XXXXXXXXXX ("Agreement") in accordance with the provisions of Company's Additional Facilities Charge Rider, Rate Schedule No. 26, ("AFCR") whereby Company has installed facilities over and above those which Company would normally install for Customer's load and service requirements.

(AT)

B. Pursuant to the provisions of § 26.3 or § 26.4 of AFCR Customer requests the Amendment of said Agreement to reflect the removal or relocation of existing additional facilities as listed in Attachment A of this Amendment.

(CT,AT)

C. Company agrees to amend said Agreement and to remove or relocate such existing additional facilities.

D. Customer will pay Company \$XXXXXX, the cost of removing the existing facilities as listed in Attachment A of this Amendment.

E. The original installed cost of the remaining additional facilities shall be determined as the sum of the original installed cost of additional facilities before removals of \$XXXXXX less the original installed cost of the additional facilities removed pursuant to this Amendment of \$XXXXXX, and shall be the adjusted cost of \$XXXXXX. Customer's revised monthly charge under AFCR shall be based on such adjusted cost and shall be calculated by multiplying such adjusted cost by the then current rate per month from AFCR § 26.3, Option A or the appropriate "Monthly % During Recovery Term" from § 26.4, Option B of AFCR. Such monthly charge shall then prospectively replace the monthly charge under the Agreement dated XXXXXXXXXX including any and all amendments thereto.

(AT)

(CT,AT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.10.2.2

Schedule Sheet 2 of 2

(AT)

Replacing: Original

Sheet No. P13.10.6

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

CUSTOMER NAME

ENTERGY ARKANSAS, INC.

By

By:

Title:

Title:

Signature

Date: _____

Approved: _____

Title:

ATTEST: _____

Customer's Secretary

Signature Date: _____

(CT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.10.2.1.1 Schedule Sheet 1 of 2

(AT)

Replacing: Original Sheet No. P13.10.7

Entergy Arkansas, Inc.
Name of Company

Kind of Service Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

**13.10.2.1. ATTACHMENT A TO AMENDMENT TO FACILITIES AGREEMENT FOR
REMOVAL/RELOCATION OF FACILITIES**

**Attachment A
To Facilities Agreement Amendment No. _____
Additional Facilities To Be Removed By Company**

A. The Company shall remove the following additional facilities (Removals) as requested by the Customer and Customer shall pay a revised monthly charge based on the revised installed cost determined as the current total original installed cost of the existing additional facilities of \$XXXXX less the estimated installed cost of the Removals of \$XXXXX. The revised monthly charge shall be calculated based on the revised installed cost using the then current rates from the provisions of § 26.3, Option A. of Rate Schedule No. 26. The revised monthly charge shall become effective XXXXXXXXX and will replace the monthly charge under the contract dated, XXXXXXXXX including any and all amendments thereto.

(CT)

B. For those additional facilities removed Customer shall pay Company a cancellation payment of \$XXXXXX, if required, calculated pursuant to the lesser of parts 1 and 2 of § 26.7 of AFC plus any rearrangement costs associated with the removal of facilities.

(CT)

C. The revised monthly charge shall be further modified and billed prospectively to reflect the remaining installed costs when the actual cost of Removals is available and the balance of this Amendment No. XXX reflecting such actual remaining installed costs shall be completed and signed by the Customer and Company.

D. The following Additional Facilities shall be removed:

XX
XX
XX
XX
XX
XX
XX
XX
XX

(AT)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. P13.10.2.1.2 Schedule Sheet 2 of 2

(AT)

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

CUSTOMER NAME

ENTERGY ARKANSAS, INC.

(MT)

By: _____

By: _____

Title: _____

Title: _____

Signature Date _____

Approved: _____

ATTEST: _____

Title: _____

Customer's Secretary

Signature
Date: _____

(AT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.10.3.1 Schedule Sheet 1 of 4

Replacing: Original Sheet No. P13.10.8

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

Docket No.: 06-101-U
Order No.:
Effective:

PSC File Mark Only

(AT)

13.10.3. AGREEMENT FOR OPERATION AND MAINTENANCE OF CUSTOMER FACILITIES

This Agreement is made and entered into this date, XXXXXXXXXXXXXXXXXX, by and between XXXXXXXXXXXXXXXXXX, ("Customer") and Entergy Arkansas, Inc., ("EAI" or the "Company"):

A. Premise Location

Customer has contracted with Company for the supply of electric power and energy for the operation of Customer's XXXXXXXXXXXXXXXXXX located at or near XXXXXXXXXXXXXX, Arkansas.

B. Operation and Maintenance ("O&M") Services

Customer has requested that Company provide O&M services for the Customer-owned Facilities listed on Attachment A to this Agreement. Company will provide O&M services as described below:

(1). O&M Service for Distribution Substation Facilities

EAI will inspect and service Customer-owned substation facilities according to EAI standard practices for similar Company-owned substation facilities. Services provided will include but not necessarily be limited to:

- a. Emergency O&M services will be performed at the Company's sole reasonable discretion based on factors including but not limited to resource availability that may be diminished by System emergencies and/or trouble incidents, Good Utility Practices, or safety or health concerns.
- b. Monthly ground level inspections of all facilities.
- c. Routine maintenance activities to include filtering transformer oil as necessary, servicing substation batteries, and testing switches and breakers. Customer will receive a written report identifying the services performed and any problems or needed repairs discovered by service personnel.
- d. Upon Customer's notification to Company of a continuing service interruption at Customer's facilities, Company will dispatch service personnel to inspect Customer's facilities and determine the source(s) of trouble. The number of trouble cases and availability of Entergy resources will influence response time. If equipment damage is found and Company agrees to repair or replace the damaged equipment, Company will provide Customer an estimated cost and schedule for the necessary repairs.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.10.3.2 Schedule Sheet 2 of 4

(AT)

Replacing: Original

Sheet No. P13.10.9

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

- e. Equipment refurbishing, repair, and replacement of worn systems are not considered routine maintenance activities and are not provided as part of this Agreement, however, if Company agrees, such activities may be performed by the Company under **Service Agreements for Specific Tasks or Activities** below.

(2). O & M Service Agreements for Other Distribution Facilities

Company will inspect and service other Customer-owned distribution facilities according to standard practices for Company-owned distribution facilities. Services provided will include but not necessarily be limited to:

- a. Emergency O&M services will be performed at the Company's sole reasonable discretion based on factors including but not limited to resource availability that may be diminished by System emergencies and/or trouble incidents, Good Utility Practices, or safety or health concerns.
- b. Company will perform an annual ground level distribution facilities inspection, limited to visual means from ground level, and provide a written report on the condition of the Customer-owned facilities covered by the agreement.
- c. Company will tighten hardware found as a result of this annual inspection and perform minor service work (re-fuse, re-splice overhead services, and photocell and/or bulb replacement) with Customer provided items.
- d. Upon Customer's notification to the Company of a continuing service interruption at Customer's facilities, Company will dispatch service personnel to inspect Customer's facilities and determine the source(s) of trouble. The number of trouble cases and availability of EAI resources will influence response time. If equipment damage is found and EAI agrees to repair or replace the damaged equipment, Company will provide Customer an estimated cost and schedule for the necessary repairs.
- e. Refurbishing, repair, and replacement of poles, conductor, hardware, transformers, switches, capacitor banks, and lighting fixtures are not considered routine maintenance activities and are not provided as part of this service, however, if Company agrees, such activities may be performed under Service Agreements for Specific Tasks or Activities below.

(CT)

C. Service Agreements for Specific Tasks or Activities (Job Order Billing)

As described above, this O&M Service Agreement does not provide all possible service and repair activities for Customer-owned distribution facilities or substation facilities. When tasks or activities are in the Company's sole judgment beyond the scope of routine O&M services, Customer may request the Company to perform

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.10.3.3 Schedule Sheet 3 of 4

(AT)

Replacing: Original Sheet No. P13.10.10

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U
Order No.:
Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

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these specific tasks or activities for the Customer. In such cases if the Company agrees to do the work, the Customer will be assessed a charge that fully reimburses Company for the individual tasks or activities. Customer is under no obligation to have the Company perform such tasks and may choose other vendors to provide such services.

A Service Agreement for Specific Tasks or Activities will be required for all such tasks or activities including but not limited to detailed pole ground-line inspections, infrared inspections, and conductor termination cleaning and tightening.

D. Rate Schedules

Company will provide said O&M Services in accordance with AFCR, and Company's Policy Schedule No. 9, Service Regulations, copies of which are attached hereto and made a part hereof, or such other effective superseding rate schedule(s) and Service Regulations as may be authorized by duly constituted regulatory authority exercising lawful jurisdiction or as may become effective in the manner provided by law. Customer agrees to promptly pay all charges for such services as provided in said schedule and regulations.

(CT)

E. Monthly Charges

The monthly charges under AFCR, § 26.5, Operation and Maintenance of Customer-Owned Facilities (O&M Service) shall be based on the current estimated cost of replacement facilities as shown below.

(CT)

Customer's monthly payment for O&M Service will be based on an estimated replacement cost of such facilities of XXXXXXXXXXXXXXXXXX and will be calculated by multiplying such installed cost by the then current rate per month under § 26.5 of AFCR.

(CT)

F. Indemnity

In the event of injury or death to any person as a result of contact with said Customer owned facilities, the Customer shall defend, indemnify and hold the Company harmless from any and all claims, actions, causes of action and demands arising therefrom. Said obligation to defend, indemnify and hold harmless includes, but is not limited to payment of judgment, settlements or claims and litigation and preparation expense in connection therewith for discovery, expert witness fees, reasonable attorney's fees, and other such expenses.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.10.3.4 Schedule Sheet 4 of 4

(AT)

Replacing: Original Sheet No. P13.10.11

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

G. Term

The term of this Agreement, in accordance with AFCR, Rate Schedule No. 26, shall be from XXXXXXX, XXXX or the date said facilities are first made ready for use, whichever occurs earlier, and for a period of XXX years thereafter. This term shall be automatically extended for successive periods of one year each until terminated by written notice given by one party to the other not more than six months nor less than three months prior to the expiration date of the original term or any anniversary thereof.

(RT,AT)

H. Ownership of Facilities

Title to all such additional facilities shall remain in the Customer.

I. Other Provisions

Other Provisions to this Agreement are as listed on Attachment B.

J. Approval

This Agreement is contingent upon approval by Company's President, Vice President or Department Director.

CUSTOMER NAME

ENTERGY ARKANSAS, INC.

(CT)

By: _____

By: _____

Title: _____

Title: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Customer's Secretary

Title: _____

Signature
Date: _____

(CT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.10.3.1.1 Schedule Sheet 1 of 1

(AT)

Replacing: Original

Sheet No. P13.10.12

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.10.3.1. ATTACHMENT A – CUSTOMER FACILITIES SUBJECT TO OPERATION AND MAINTENANCE

- A. The following facilities owned by the Customer are the subject of O&M services performed by the Company and Customer shall pay a monthly charge based on the estimated replacement cost of such facilities of \$XXXXXXXX. The monthly charge shall be calculated using the current rates from the provisions of § 26.6, Operation and Maintenance of Customer-Owned Facilities of Rate Schedule No. 26. The monthly charges shall become effective XXXXXXXXXXXXXXXXXX.

(CT)

- B. The Customer Facilities subject to Company O&M services are as follows:

<u>ITEM</u>	<u>ESTIMATED REPLACEMENT COST</u>
<u>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</u>	<u>\$XXXXXXXXXXXXXX</u>

CUSTOMER NAME

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Title: _____

Title: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Title: _____

Customer's Secretary

Signature Date: _____

(AT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.10.3.2.1 Schedule Sheet 1 of 1

(AT)

Replacing: Original Sheet No. P13.10.13

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U
Order No.:
Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.10.3.2. ATTACHMENT B - OTHER PROVISIONS TO AGREEMENT FOR OPERATION AND MAINTENANCE OF CUSTOMER FACILITIES

A. The following provisions are incorporated into and made a part of the Agreement for Operation and Maintenance of Customer Facilities as attached:

XX
XX
XX
XX
XX
XX
XX
XX
XX
XX
XX
XX
XX
XX
XX

CUSTOMER NAME

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Title: _____

Title: _____

Signature Date: _____

Approved: _____

ATTEST: _____

Title: _____

Customer's Secretary

Signature Date: _____

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

(AT)

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No.: P13.11.1

Schedule Sheet 1 of 1

(AT)

Replacing: 1st Revised

Sheet No.: P13.11.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.11. Agreement Implementing Economic Development Rider (EDR)

In consideration of the agreement of _____
("Customer") to consider location or expansion of operations in Entergy Arkansas, Inc.
("EAI" or the "Company") service area at _____
EAI agrees to apply the terms of its Economic Development Rider (EDR) tariff ("the
Rider"), on file with and approved by the Arkansas Public Service Commission ("APSC"),
to such new or increased demand, so long as Customer qualifies for the application of
the Rider pursuant to its terms. A copy of the Rider is attached hereto and incorporated
herein by reference.

Customer estimates that a new or increased electric demand equal to or in excess of 500
kW will be installed and operational at the premises indicated above on or
about _____ (date). Base Period Demand is currently estimated
to be _____ kW but will be recalculated when the Rider becomes applicable.

Nothing herein obligates Customer to locate or expand in EAI's service area. If,
however, Customer has not caused demands sufficient to cause the Rider to apply within
one year of the date Customer has designated in the previous paragraph, this contract
shall terminate.

This contract is not effective until its approval by the Arkansas Public Service
Commission in the manner set forth in the Rider. This contract is not assignable without
the written consent of EAI.

CUSTOMER

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Title: _____

COMPANY AGENT

Approved: _____

Title: _____

Date: _____

Date: _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.12.1

Schedule Sheet 1 of 3

(AT)

Replacing: Original

Sheet No. P13.12.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No. 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.12. Interruptible Service Agreement

This Agreement, made and entered into on Month Day, Year, by and between Customer Name ("Customer") and Entergy Arkansas, Inc. ("EAI" or the "Company"), a corporation;

1. Electric Service Agreement

Customer and Company have entered into an Electric Service Agreement ("ESA") dated Month Day, Year whereby EAI provides Firm Electric Service to Customer for use in the operation of Customer's type of operation located in or near City, Arkansas.

2. Purpose

Customer wishes to enter into an agreement with Company to allow Company to interrupt a portion of Customer's load that can from time to time be interrupted pursuant to the terms specified in this agreement and to the provisions of EAI's Rate Schedule No. 41, Optional Interruptible Service Rider (OIS) ("Rider") which is attached hereto and made a part of this Agreement or such other effective superseding Rate Schedule as may be authorized by duly constituted regulatory authority exercising lawful jurisdiction, or as may become effective in the manner provided by law.

3. Definitions

Firm Electric Service

Requirements of Customer supplied under one of Company's standard electric service schedules in accordance with the ESA dated Month Day, Year.

Firm Contract Demand ("FCD")

Customer's demand to be excluded from interruptions, for this Agreement Amount kW. Customer may change this FCD one time in a contract period upon giving 60 days written notice to the Company.

(MT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.12.2

Schedule Sheet 2 of 3

(AT)

Replacing: Original

Sheet No. P13.12.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric Class of Service: Commercial/Industrial

Docket No. 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

3. Definitions (continued)

(AT)

Nonfirm Demand Restrictions

A. OIS without Standby Service:

The sum of the FCD and Nonfirm demand shall not exceed the maximum amount of kVA specified in the ESA, Characteristics of Service.

B. OIS with Standby Service:

Nonfirm demand shall not exceed _____ kW.
The sum of the FCD, Reserved Service Contracted Demand, and Nonfirm demand shall not exceed the maximum amount of kVA specified in the ESA, Characteristics of Service

(MT,AT)

4. Billing Provisions

Customer shall pay a Monthly Customer Charge and all other charges calculated in accordance with Section 41.5 of the Rider.

5. Term Of Agreement

The term of this Agreement shall be from the date service is first made available hereunder to Month Day, Year, and shall be automatically extended for successive periods of number year(s) each until terminated by written notice given by the Customer to the Company not less than three months prior to the expiration date of the original term or any anniversary thereof. The monthly minimum contained in Section 41.5.7 of the Rider does not terminate with the initial term of this Agreement, but continues in effect as long as service is provided hereunder.

(RT)

6. Other Provisions

Except as modified herein or in the provisions of the Rider, all provisions of the applicable Rate Schedules will apply.

7. Entirety Of Agreement

This constitutes the entire and only agreement between the Parties hereto with reference to the subject matter hereof and supersedes all previous understandings whether written or oral.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.12.3

Schedule Sheet 3 of 3

(AT)

Replacing: Original

Sheet No. P13.12.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No. 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

8. Notices

Any notice, consent or other communication concerning this Agreement shall be properly given when deposited in the United States Mail, postage prepaid, registered or certified, and addressed as follows:

(a) Customer

Customer

Attn: _____

Customer address

(b) Entergy Arkansas, Inc.

Entergy Arkansas, Inc.

Attn: President

P.O. Box 551

Little Rock, Arkansas, 72203

9. Approval

This Agreement is contingent upon approval by Company's President, Vice President or Department Director.

Customer Name

ENTERGY ARKANSAS, INC.

By: _____

Signatory Title

By: _____

Signatory Title

ATTEST: _____

Signatory Title

Approved: _____

Date of Signature _____

Title: _____

(AT)

Date of Signature

(AT)

(CT,AT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.13.1

Schedule Sheet 1 of 4

(AT)

Replacing: 1st Revised

Sheet No. P13.13.1 & P13.13.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.13. Market Valued Call Option Service Contract

This Agreement is made and entered into on _____, by and between _____ ("Customer") and Entergy Arkansas, Inc. ("EAI" or the "Company"), a corporation.

1. CUSTOMER DATA

Company name: _____

Site name: _____ If different from above

Site address: _____

Estimate of peak demand _____ kW Typical weekday summer demand from noon – 8 p.m.

Estimate of hourly curtailable demand
May _____ kW
June _____ kW
July _____ kW
August _____ kW
September _____ kW
Must be at least 1,000 kW, may be multiple locations not less than 500 kW each.

Call Option Firm Contract Demand
May _____ kW
June _____ kW
July _____ kW
August _____ kW
September _____ kW

Call Option Premium
May _____ kW
June _____ kW
July _____ kW
August _____ kW
September _____ kW
Applies to Program Period

Curtailment Notification Choice _____ Option A - "Day-Ahead Notice"
Option B - "Same-Day Notice"
Entergy account #: _____

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.13.2

Schedule Sheet 2 of 4

(AT)

Replacing: 1st Revised Sheet No. P13.13.2 & P13.13.5

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

Delivery point: _____

Meter ID _____

Interval metering? _____ Yes/No

(If No, interval meter must be
installed prior to bidding)

If the above answer is No, the customer will be required to pay for any additional metering costs related to MVCO. In addition, the customer is responsible for any costs associated with communications related to MVCO. The Company will retain ownership of such equipment in both cases.

2. COMPANY CONTACT

The following person is your company's primary contact that will receive 4 p.m. day-ahead notification if required. Please note below a preferred back-up method of notification (either fax or phone).

Contact: _____

E-mail: _____

Phone: _____

Fax: _____

Internet access: _____ Yes/No

Entergy Account
Manager _____

Email Address _____

3. STANDARD TERMS & CONDITIONS

- A. This **MVCO Service Contract** ("Contract") is subject to the terms and conditions of the Schedule MVER rider and its Attachment A including but not limited to information on availability, applicability, definitions, bidding, notification, billing and non-compliance for MVCO Service. The Program Period under this Contract is _____ through _____.
- B. Per Customer's previously accepted MVCO Service bid, Company agrees to pay customer \$ _____ /MW-month for each of the months of the Program Period multiplied by the applicable Curtailable Demand. In return, Customer agrees to reduce demand to at or below the Call Option Firm Contract Demand level(s) as specified in Section 1 during the Call Option Curtailable Hours for any curtailment requested by the Company until the applicable monthly Maximum Curtailments is reached.
- C. Customer may also participate in Market Valued Energy ("MVE") Service. Curtailments under MVE Service will be in accordance with the separately executed MVE Enabling

(MT)

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.13.3

Schedule Sheet 3 of 4

(AT)

Replacing: 1st Revised Sheet No. P13.13.3 & P13.13.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

Agreement. To accommodate the opportunity to simultaneously participate in Market Valued Call Option ("MVCO") Service and MVE Service, Customer agrees to the following. Customer must submit two MVE Firm Demand values in a day-ahead MVE bid. At least one of the MVE Firm Demand values must be lower than the Call Option Firm Contract Demand of _____ kW. If a curtailment under MVCO Service is initiated by Company for the same day that an MVE bid has been accepted, Customer agrees to reduce demand to the lower of the two MVE Firm Demand values submitted in their day-ahead bid.

- D. Once the applicable monthly Maximum Curtailments has been reached for a given month, Customer has the option to bid all applicable firm load into MVE Service.
- E. Any curtailment under this Contract shall be from a single metered delivery point located in the Entergy Arkansas, Inc. service territory. This single metered delivery point must meet the **APPLICABILITY** requirements outlined in the Schedule MVER rider.
- F. Upgrades to metering and additional information technology costs required by the Customer (e-mail, phone lines, fax, etc.) are to borne by the Customer and not by Entergy Arkansas, Inc.
- G. Schedule MVER does not involve the purchase of energy from participants. This program is not intended as a mechanism to bypass existing tariffs that address the purchase of energy from Public Utilities Regulatory Policies Act ("PURPA") qualified facilities.
- H. The Schedule MVER rider outlines the mechanism to calculate the Curtailable Demand and associated Call Option Premium Payment and MVCO Curtailable Billing Energy Payments achieved by Customer during a specific month. By signing this contract, Customer agrees that they have reviewed and accept the provisions in Sections 45.3.1. and 45.3.4. of the MVER rider.
- I. The Schedule MVER rider outlines the mechanism to calculate a Non-Compliance Penalty in the event that Customer fails to curtail to at or below the Call Option Firm Contract Demand level(s) as specified in Section 1 for any hour within the Call Option Curtailable Hours. By signing this contract, Customer agrees that they have reviewed and accept the provisions in Section 45.3.4 (5) of the MVER rider.
- J. Customer acknowledges that a Curtailable Monthly Customer Charge of \$500 per site will be included in the monthly bill applicable to each of the months of the Program Period.

ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised

Sheet No. P13.13.4

Schedule Sheet 4 of 4

(AT)

Replacing: 1st Revised Sheet No. P13.13.4 & P13.13.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

K. By signing this Contract, Customer acknowledges that: (1) Customer has carefully read the Schedule MVER rider and its Attachments, (2) acknowledges that MVCO Service constitutes a binding contractual obligation between Customer and Company and (3) understands and accepts any and all risk associated with participation.

L. CUSTOMER AGREES TO ASSUME ALL LIABILITY FOR AND TO HOLD ENTERGY CORPORATION AND ALL SUBSIDIARIES HARMLESS FROM AND AGAINST ANY CLAIMS, INCLUDING ATTORNEY'S FEES AND COURT COSTS, FOR PERSONAL INJURY (INCLUDING DEATH) AND/OR PROPERTY DAMAGE CAUSED BY CUSTOMER'S DECISION TO CURTAIL ENERGY USAGE UNDER MVCO SERVICE. UNDER NO CIRCUMSTANCES SHALL ENTERGY CORPORATION OR ANY SUBSIDIARY BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR DAMAGES OR FOR ANY LOSS, WHETHER DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY RESULTING FROM ANY CURTAILMENT OF ELECTRIC SERVICE PROVIDED BY CUSTOMER UNDER MVCO SERVICE.

4. APPROVAL

Customer

Signature: _____

Date: _____

Title: _____

Entergy

Signature _____

Date: _____

Title: _____

Please mail two (2) signed copies of this *MVCO Service Contract* to the address below. One of the copies will be returned to you after it is signed. If you have questions or concerns, please contact your Account Manager.

Entergy Corporation
Attn: John P. Hurstell
10055 Grogans Mill Road, Suite 300
The Woodlands, TX 77380

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.14.1 Schedule Sheet 1 of 4

(AT)

Replacing: Original Sheet No. P13.14.1

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

13.14. Market Valued Energy (MVE) Service Enabling Agreement Experimental Market Valued Energy Reduction Service Rider (Schedule MVER)

This Agreement is made and entered into on Month Day, Year, by and between
Customer Name _____ ("Customer") and Entergy Arkansas, Inc. ("EAI" or the
"Company"), a corporation.

1. CUSTOMER DATA

Company: _____

Site name: _____ If different from above

Site address: _____

Estimate of peak demand _____ kW Typical weekday summer demand from noon – 8 p.m.

Estimate of hourly curtailable demand _____ kW Must be at least 1,000 kW

Entergy account #: _____

Delivery point: _____

Meter ID _____

Interval metering? Yes ☐ No ☐ (If No, interval meter must be installed prior to bidding)

If the above answer is No, the customer will be required to pay for any additional metering costs related to MVE. In addition, the customer is responsible for any costs associated with communications related to MVE. The Company will retain ownership of such equipment in both cases.

Authorized bidders _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.14.2

Schedule Sheet 2 of 4

(AT)

Replacing: Original

Sheet No. P13.14.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

2. COMPANY CONTACT

The following person is your company's primary contact that will receive 4 p.m. day-ahead notification that an MVE bid has been accepted (note that the bid does not necessarily have to be made by this individual). Day-ahead notification of bid acceptance will be provided via an electronic Curtailment Confirmation Statement. Please note below a preferred back-up method of notification (either fax or phone).

Contact: _____

E-mail: _____

Phone: _____

Fax: _____

Internet access: _____ Yes/No

Entergy Account
Manager _____

Email Address _____

3. STANDARD TERMS & CONDITIONS

- A. This **MVE Service Enabling Agreement** ("Agreement") is subject to the terms and conditions of the Schedule MVER rider and its Attachment B including but not limited to information on availability, applicability, definitions, bidding, notification, billing and non-compliance for MVE Service. The Program Period under this Agreement in which Entergy will accept offers of curtailment from Customers is _____ through _____.
- B. Any curtailment under this Agreement shall be from a single metered delivery point located in the Entergy Arkansas, Inc. service territory. This single metered delivery point must meet the **APPLICABILITY** requirements outlined in the Schedule MVER rider.
- C. Upgrades to metering and additional information technology costs required by the Customer (e-mail, phone lines, fax, etc.) are to borne by the Customer and not by Entergy Arkansas, Inc.
- D. Schedule MVER does not involve the purchase of energy from participants. This program is not intended as a mechanism to bypass existing tariffs that address the purchase of energy from Public Utilities Regulatory Policies Act ("PURPA") qualified facilities.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.14.3

Schedule Sheet 3 of 4

(AT)

Replacing: Original

Sheet No. P13.14.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

- E. Day-ahead MVE bids are submitted between 8:00 A.M. – 12:00 Noon CDT, Monday through Friday. A bid submitted on a Friday is for a curtailment on the following Monday. MVE bids can be submitted via phone or fax. All phone-submitted bids will be on a recorded telephone line.
- F. The Schedule MVER rider outlines the mechanism to calculate the Curtailable Billing Energy and associated MVE Curtailable Billing Energy Payment achieved by Customer during a specific curtailment. Please review these provisions in § 45.4.1 and § 45.4.4 of the MVER rider before submitting a bid. (CT)
- G. The Schedule MVER rider outlines the mechanism to calculate a non-compliance penalty in the event that a curtailment is offered by the Customer but the Customer fails to curtail to the level specified in Curtailment Confirmation Statement. Please review these provisions in § 45.4.4.(4) before submitting a bid. (CT)
- H. Customer acknowledges that a Curtailable Monthly Customer Charge of \$500 per site will be included in the monthly bill applicable to months during which Customer submits an MVE bid that is subsequently accepted.
- I. Submitting a bid under MVE Service is totally voluntary on the part of Customer. Further, there is no guarantee that a bid will be accepted. Entergy Arkansas, Inc. retains the right to accept and/or reject any and/or all bids submitted under MVE Service.
- J. By signing this Agreement, Customer acknowledges that: (1) Customer has carefully read the Schedule MVER rider and its Attachments, (2) acknowledges that MVE Service is totally voluntary and that there is no guarantee of receiving economic value and (3) understands and accepts any and all risk associated with participation.
- K. CUSTOMER AGREES TO ASSUME ALL LIABILITY FOR AND TO HOLD ENTERGY CORPORATION AND ALL SUBSIDIARIES HARMLESS FROM AND AGAINST ANY CLAIMS, INCLUDING ATTORNEY'S FEES AND COURT COSTS, FOR PERSONAL INJURY (INCLUDING DEATH) AND/OR PROPERTY DAMAGE CAUSED BY CUSTOMER'S DECISION TO CURTAIL ENERGY USAGE UNDER MVE SERVICE. UNDER NO CIRCUMSTANCES SHALL ENTERGY CORPORATION OR ANY SUBSIDIARY BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR DAMAGES OR FOR ANY LOSS, WHETHER DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY RESULTING FROM ANY CURTAILMENT OF ELECTRIC SERVICE PROVIDED BY CUSTOMER UNDER MVE SERVICE.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.14.4

Schedule Sheet 4 of 4

(AT)

Replacing: Original

Sheet No. P13.14.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

4. CUSTOMER-SPECIFIC TERMS & CONDITIONS

A. As Necessary

5. APPROVAL

Customer
Signature: _____

Date: _____

Title: _____

Entergy
Signature _____

Date: _____

Title: _____

Please mail two (2) signed *MVE Service Enabling Agreement* to the address below. One of the copies will be returned to you after it has been signed. If you have questions or concerns, please contact your Account Manager.

Entergy Corporation
Attn: John P. Hurstell
10055 Grogans Mill Road, Suite 300
The Woodlands, TX 77380

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.15.1

Schedule Sheet 1 of 4

(AT)

Replacing: Original

Sheet No. P13.15.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

13.15. Experimental Energy Reduction (EER) Enabling Agreement

This Agreement is made and entered into on Month Day, Year, by and between Customer Name ("Customer") and Entergy Arkansas, Inc. ("EAI" or the "Company"), a corporation.

1. CUSTOMER DATA

Company: _____

Site name: _____

If different from above

Site address: _____

Estimate of peak _____ kW

Typical weekday summer demand during those curtailable hours specified in the currently effective Attachment A

Estimate of hourly curtailable demand _____ kW

Must be at least 150 kW for each program hour curtailable demand

Entergy account #:

(Note: must have a separate Enabling Agreement for each participating account)

Delivery point:

Meter ID # _____

Meter ID # _____

Meter ID # _____

Meter ID # _____

Meter ID # _____

Meter ID # _____

Interval metering?

Yes ☐

No ☐

(If No, interval meter must be installed prior to pledging)

If the above answer is No, the customer will be required to pay for any additional metering costs related to EER. In addition, the customer is responsible for any costs associated with communications related to EER. The Company will retain ownership of such equipment in both cases.

Internet access _____ Yes/No (must have access to view prices and pledge)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.15.2

Schedule Sheet 2 of 4

Replacing: Original

Sheet No. P13.15.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

PSC File Mark Only

2. COMPANY CONTACT

The following person will be your company's primary contact who will receive by 10:00 AM day of notification that an EER pledge has been accepted (note that the pledge does not necessarily have to be made by your primary contact person). Day of notification of pledge acceptance will be provided via an electronic Curtailment Confirmation Statement. (if, for any reason, we are unable to send this Statement by electronic means, either the phone or fax number provided below will be used as a back-up method of notification).

Contact: _____

E-mail: _____

Phone: _____

Fax: _____

Internet access: _____ Yes/No

Entergy Account
Manager _____

Email Address _____

3. STANDARD TERMS & CONDITIONS

- A. This **EER Service Rider Enabling Agreement** ("Agreement") is subject to the terms and conditions of the Schedule EER rider and its Attachment A including but not limited to information on availability, applicability, definitions, pledging, notification, billing and non-compliance for EER Service. The Program Period under this Agreement is _____ through _____.
- B. Any curtailment under this Agreement shall be from a single metered delivery point located in the Entergy Arkansas, Inc., service territory. This single metered delivery point must meet the **APPLICABILITY** requirements outlined in the Schedule EER Service Rider.
- C. Upgrades to metering and additional information technology costs required by the Customer (e-mail, phone lines, fax, etc.) are to borne by the Customer and not by Entergy Arkansas, Inc.
- D. Schedule EER does not involve the purchase of energy from participants. This program is not intended as a mechanism to bypass existing tariffs that address the purchase of energy from Public Utilities Regulatory Policies Act ("PURPA") qualified facilities.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.15.3

Schedule Sheet 3 of 4

(AT)

Replacing: Original

Sheet No. P13.15.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

PSC File Mark Only

- E. If Entergy posts day-ahead EER prices, they can be viewed on the designated web site by 8:00 A.M., CDT, Monday through Friday. A price posted on a Friday is for a curtailment on the following Monday. EER pledges from participants are submitted via the designated web site. A **Confirmation Statement** will be provided by Company to Customer no later than 10:00 A.M. CDT on the day of the curtailment.
- F. The Schedule EER rider outlines the mechanism to calculate the Curtailable Billing Energy and associated EER Curtailable Billing Energy Payment achieved by Customer during a specific curtailment. Energy usage by hour will be compared to usage during the same hour on the prior normal business day to calculate the energy reduction. The hourly energy reduction will be used along with the appropriate hourly price to calculate the credit. Please review these provisions in § 46.3 and § 46.6 of the EER Service Rider before submitting a pledge. (CT)
- G. The Schedule EER Service Rider outlines the mechanism to calculate a market replacement charge (or penalty) in the event that a curtailment is accepted by the Company but the Customer fails to curtail to the minimum level as specified in their pledge. Please review these provisions in § 46.6.(3) prior to submitting a pledge. (CT)
- H. The customer shall receive a net credit or a net debit adjustment to the participating account billing invoice on the 2nd bill following the date of curtailment, subject to the Billing Provisions as specified in § 46.6 of Schedule EER rider. (CT)
- I. Submitting a pledge under EER Service Rider is totally voluntary on the part of Customer. Further, there is no guarantee that a pledge will be accepted. Entergy Arkansas, Inc. retains the right to accept and/or reject any and/or all pledges submitted under EER Service Rider.
- J. By signing this Agreement, Customer acknowledges that: (1) Customer has carefully read the Schedule EER Service Rider and its Attachments, (2) acknowledges that EER Service is totally voluntary and that there is no guarantee of receiving economic value and (3) understands and accepts any and all risk associated with participation.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.15.4

Schedule Sheet 4 of 4

(AT)

Replacing: Original

Sheet No. P13.15.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Commercial/Industrial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

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K. CUSTOMER AGREES TO ASSUME ALL LIABILITY FOR AND TO HOLD ENTERGY CORPORATION AND ALL SUBSIDIARIES HARMLESS FROM AND AGAINST ANY CLAIMS, INCLUDING ATTORNEY'S FEES AND COURT COSTS, FOR PERSONAL INJURY (INCLUDING DEATH) AND/OR PROPERTY DAMAGE CAUSED BY CUSTOMER'S DECISION TO CURTAIL ENERGY USAGE UNDER EER SERVICE. UNDER NO CIRCUMSTANCES SHALL ENTERGY CORPORATION OR ANY SUBSIDIARY BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR DAMAGES OR FOR ANY LOSS, WHETHER DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY RESULTING FROM ANY CURTAILMENT OF ELECTRIC SERVICE PROVIDED BY CUSTOMER UNDER EER SERVICE.

4. APPROVAL

Customer

Signature: _____

Date: _____

Title: _____

Entergy

Signature: _____

Date: _____

Title: _____

Please mail the signed *EER Enabling Agreement* to the addresses below.

Two (2) Originals:

Entergy Corporation
Attn: John P. Hurstell
10055 Grogans Mill Road, Suite 300
The Woodlands, TX 77380

Copies:

Entergy
Attn: Lee Parris, A-TCBY-26A
425 West Capitol
Little Rock, AR 72201

Entergy
Attn: Linda Baynham
639 Loyola Ave.
New Orleans, LA 70113

(DT,CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.16.1

Schedule Sheet 1 of 7

(AT)

Replacing: Original

Sheet No. P13.16.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

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13.16. STANDARD INTERCONNECTION AGREEMENT FOR NET METERING FACILITIES

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Facility Location (if different from above): _____

Daytime Phone: _____ Evening Phone: _____

Company Customer Account (from electric bill): _____

Section 2. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell Micro turbine

Generator Rating (kW): _____ AC or DC (circle one)

Describe Location of Accessible and Lockable Disconnect: _____

Inverter Manufacturer: _____ Inverter Model: _____

Inverter Location: _____ Inverter Power Rating: _____

Section 3. Installation Information

Attach a detailed electrical diagram of the net metering facility.

Installed by: _____ Qualifications/Credentials: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ Installation Date: _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.16.2

Schedule Sheet 2 of 7

(AT)

Replacing: Original

Sheet No. P13.16.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

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Section 4. Certification

1. The system has been installed in compliance with the local Building/Electrical Code of _____ (City/County).

Signed (Inspector): _____

Date: _____

(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

2. The system has been installed to my satisfaction and I have been given system warranty information and an operation manual, and have been instructed in the operation of the system.

Signed (Owner): _____ Date: _____

Section 5. Company Verification and Approval

1. Facility Interconnection

Approved: _____ Date: _____

Metering Facility Verification by: _____ Verification

Date: _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.16.3 Schedule Sheet 3 of 7

Replacing: Original Sheet No. P13.16.3

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: Residential/Commercial

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U
Order No.:
Effective:

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(AT)

II. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS

This Interconnection Agreement for Net Metering Facilities ("Agreement") is made and entered into this _____ day of _____, 20____, by and between Entergy Arkansas, Inc. ("EAI" or the "Company") and _____ ("Customer"), a _____ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Section 1. The Metering Facility

The Net Metering Facility meets the requirements of Arkansas Code Ann. § 23-18-603(5) and the Arkansas Public Service Commission's Net Metering Rules.

Section 2. Governing Provisions

The parties shall be subject to the provisions of Arkansas Code Ann. § 23-18-604 and the terms and conditions set forth in this Agreement, the Net Metering Rules, and the Company's applicable tariffs.

Section 3. Interruption or Reduction of Deliveries

The Company shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, removed, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Company shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Company reasonably determines that either the facility may endanger the Company's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Company's electric system, the Company shall have the right to disconnect and lock out the Customer's facility from the Company's electric system. The Customer's facility shall remain disconnected until such time as the Company is reasonably satisfied that the conditions referenced in this Section have been corrected.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.16.4 Schedule Sheet 4 of 7

Replacing: Original Sheet No. P13.16.4

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: Residential/Commercial

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U
Order No.:
Effective:

PSC File Mark Only

(AT)

Section 4. Interconnection

Customer shall deliver the as-available energy to the Company at the Company's meter.

Company shall furnish and install a standard kilowatt-hour meter. Customer shall provide and install a meter socket for the Company's meter and any related interconnection equipment per the Company's technical requirements, including safety and performance standards.

The customer shall submit a Standard Interconnection agreement to the Company at least thirty (30) days prior to the date the customer intends to interconnect the net metering facilities to the Company's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed for the notification to be valid. The customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Company shall provide a copy of the Standard Interconnection Agreement to the customer upon request.

Following notification by the customer as specified in Rule 3.01.C, the Company shall review the plans of the facility and provide the results of its review to the customer within 30 calendar days. Any items that would prevent parallel operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

To prevent a net metering customer from back-feeding a de-energized line, the customer shall install a manual disconnect switch with lockout capability that is accessible to Company personnel at all hours. This requirement for a manual disconnect switch will be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of Company service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of Company service; and 3) The inverter must be properly installed and operated, and inspected and/or tested by Company personnel.

Customer, at his own expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at his own expense, shall meet all safety and performance standards adopted by the Company and filed with and approved by the Commission pursuant to Rule 3.01.F that are necessary to assure safe and reliable operation of the net metering facility to the Company's system.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.16.5 Schedule Sheet 5 of 7

(AT)

Replacing: Original Sheet No. P13.16.5

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

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Customer shall not commence parallel operation of the net metering facility until the net metering facility has been inspected and approved by the Company. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Company's approval to operate the Customer's net metering facility in parallel with the Company's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's net metering facility.

Modifications or changes made to a net metering facility shall be evaluated by the Company prior to being made. The Customer shall provide detailed information describing the modifications or changes to the Company in writing prior to making the modification to the net metering facility. The Company shall review the proposed changes to the facility and provide the results of its evaluation to the Customer within thirty (30) calendar days of receipt of the Customer's proposal. Any items that would prevent parallel operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

Section 5. Maintenance and Permits

The customer shall obtain any governmental authorizations and permits required for the construction and operation of the net metering facility and interconnection facilities. The Customer shall maintain the net metering facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

Section 6. Access to Premises

The Company may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Company may disconnect the interconnection facilities without notice if the Company reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Company's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.16.6 Schedule Sheet 6 of 7

Replacing: Original Sheet No. P13.16.6

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: Residential/Commercial

Part IV. Policy Schedule No. 13

Title: Contract Forms

Docket No.: 06-101-U

Order No.:

Effective:

PSC File Mark Only

(AT)

Section 7. Indemnity and Liability

Each party shall indemnify the other party, its directors, officers, agents, and employees against all loss, damages expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering design, construction ownership or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such party's works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity. It is the intent of the parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each party shall bear the proportionate cost of any loss, damage, expense and liability attributable to the party's negligence.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a party to this Agreement. Neither the Company, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design construction, ownership, maintenance or operation of, or make replacements, additions or betterment to, the Customer's facilities by the Customer or any other person or entity.

Section 8. Notices

All written notices shall be directed as follows:

COMPANY

Attention:
Mr. Mike Glancy
ENTERGY ARKANSAS, INC.
#9 Entergy Court
Little Rock, Arkansas 72211

CUSTOMER

Attention:

Name: _____

Address: _____

City: _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.16.7 Schedule Sheet 7 of 7

(AT)

Replacing: Original Sheet No. P13.16.7

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

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Customer notices to Company shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

Section 9. Term of Agreement

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

Section 10. Assignment

This Agreement and all provisions hereof shall inure to and be binding upon the respective parties hereto, their personal representatives, heirs, successors, and assigns. The Customer shall not assign this Agreement or any part hereof without the prior written consent of the Company, and such unauthorized assignment may result in termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this _____ day of _____, 20____.

Customer: _____ Company:

ENTERGY ARKANSAS, INC.

By: _____

Title: _____

Mailing Address: _____

By: _____

Title: _____

Mailing Address: _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P13.17.1 Schedule Sheet 1 of 2

(AT)

Replacing: Original Sheet No. P13.17.1

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: Contract Forms

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13.17 Agreement For Datalink Service

This Agreement is made _____, 20____ between _____
_____ ("Customer") and Entergy Arkansas, Inc. ("Company"),
collectively, the Parties.

1. Rates For Service

Company currently provides electric service to Customer under Rate Schedule _____ at or near (service location) _____.
Customer wishes to obtain web-based access to Customer's interval load data through Company's DataLink service, and Customer agrees to pay for such service pursuant to the provisions of Company's Rate Schedule No. 29, paragraph 29.17, attached hereto and made a part hereof, or such other superseding Schedules as may be authorized by applicable regulatory authority exercising lawful jurisdiction, or as may become effective in the manner provided by law and Company agrees to provide such service.

2. Data Viewing Options

DataLink is a service that provides web based viewing access to interval load data that has been collected by Company. The service gives a subscribing Customer the option of viewing the collected load data on an hourly or daily basis. Customer has elected the Viewing Option indicated below. (Check applicable option)

_____ Daily Viewing Option.

(CT)

_____ Hourly Viewing Option.

(CT)

3. Interval Metering Payment Options

Customers that do not have interval metering must have an interval meter installed by Company to enable interval data collection. Customer may elect to pay for the interval meter installation by a one-time charge or by a recurring monthly charge.

Company will install and Customer agrees to pay for an interval meter indicated below.
(Check applicable statement)

_____ Customer has an existing interval meter. No additional charge.

(CT)

_____ Installation of interval meter Monthly Payment Option.

(CT)

_____ Installation of interval meter Single Payment Option.

(CT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P13.17.2

Schedule Sheet 2 of 2

(AT)

Replacing: Original

Sheet No. P13.17.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 13

Title: **Contract Forms**

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4. Term / Cancellation

(RT,CT)

The minimum term of this Agreement for DataLink Service is two (2) years and Customer agrees to take service under this Agreement for the minimum term. If Customer elects to cancel service before the completion of the minimum term, Customer will pay to Company liquidated damages equal to the balance of the fees due, based on the current tariff, for the remainder of the minimum term of the Agreement. After the minimum term, this Agreement will continue in effect until cancelled by either party, which may be done by one party giving a minimum of 30 (thirty) days notice of cancellation to the other party.

5. Approvals

(CT)

This Agreement is contingent upon approval by Company's President, Vice President or Department Director.

_____(Customer)_____

ENTERGY ARKANSAS, INC.

By: _____

By: _____

Signature Date: _____

Approved: _____ (AT)

ATTEST: _____

Title: _____

Customer's Secretary

Signature Date: _____ (AT)

DIS WR #:	Project #:	Business Unit: A0000
Department:	Resource:	Activity
Physical Location: DAR	Location:	Account Number:
Residential _____	Commercial _____	Industrial _____

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.1

Schedule Sheet 1 of 20

(AT)

Replacing: Original

Sheet No. P14.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

14.0. SAFETY AND PERFORMANCE STANDARDS FOR NET METERING FACILITIES

14.1. Table of Contents

Sheet

1.0 INTRODUCTION	P14.3
1.1 PURPOSE	P14.3
1.2 SCOPE	P14.3
2.0 DEFINITIONS	P14.3
3.0 DETAILS	P14.6
3.1 AVAILABLE VOLTAGE SYSTEMS	P14.6
3.2 REASONS FOR DISCONNECTION FROM THE DISTRIBUTION DELIVERY SYSTEM	P14.6
3.3 PRE-INTERCONNECTION STUDIES FOR INTERCONNECTION OF RENEWABLE ENERGY FACILITIES UNDER NET METERING RULES	P14.7
3.4 SYSTEM CHANGES	P14.7
3.4.1 Company Changes to Distribution Delivery System	P14.7
3.4.2 Net Metering Customer Changes to Interconnection	P14.8
3.5 ALLOWABLE TIE POINTS	P14.8
3.6 ENERGY FLOW DURING EMERGENCIES	P14.8
3.7 TYPES OF ALLOWED GENERATORS	P14.8
3.7.1 Limits on Three-Phase Generators	P14.8
3.7.2 Limits on Single-Phase Generators	P14.8
3.8 EXPLICIT CRITERIA FOR PARALLEL OPERATIONS	P14.8
3.8.1 Safety	P14.9
3.8.2 Impact of Interconnection	P14.9
3.9 GENERAL INTERCONNECTION REQUIREMENTS	P14.9
3.9.1 Net Metering Customer's Equipment and Interconnection Standards	P14.9
3.9.2 Rating of Net Metering Customer's Equipment	P14.9
3.9.3 Protection of Net Metering Customer's Equipment	P14.10
3.9.4 Required Drawings	P14.10
3.9.5 Changes to Company Facilities	P14.10
3.9.6 Reactive Power Requirements	P14.10
3.9.7 Power Factor	P14.10
3.9.8 Voltage Surges or Sags	P14.11
3.9.9 Voltage Flicker	P14.11
3.9.10 Frequency	P14.11
3.9.11 Harmonics	P14.11
3.10 INSPECTION PRIOR TO OPERATIONS AND ADDITIONAL REQUIREMENTS	P14.11
3.11 RESPONSIBILITY FOR NET METERING CUSTOMER'S OPERATIONS	P14.12
3.12 RESPONSIBILITY FOR NET METERING CUSTOMER'S ANNUAL MAINTENANCE	P14.12

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.2

Schedule Sheet 2 of 20

(AT)

Replacing: Original

Sheet No. P14.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.13	PROTECTION/INTERFACE REQUIREMENTS	P14.12
3.13.1	<i>Changes to Company Fault Interruption Equipment</i>	<i>P14.12</i>
3.13.2	<i>Tests of the Net Metering Customer's Equipment.....</i>	<i>P14.13</i>
3.13.3	<i>Specifying Protective Equipment.....</i>	<i>P14.13</i>
3.13.3.1	<i>Service Interruption Equipment.....</i>	<i>P14.14</i>
3.13.3.2	<i>Fault Interrupting Device.....</i>	<i>P14.14</i>
3.13.3.3	<i>Equipment to Block Energizing Dead Circuits</i>	<i>P14.14</i>
3.13.3.4	<i>Control, Protection and Safety Equipment Requirements For Specific Technologies.....</i>	<i>P14.15</i>
3.13.3.4.1	<i>Synchronous Generators.....</i>	<i>P14.15</i>
3.13.3.4.2	<i>Induction Generators and Inverter Systems.....</i>	<i>P14.15</i>
3.14	SUSCEPTIBILITY TO TRANSMISSION FAULTS	P14.15
3.15	SYNCHRONIZING REQUIREMENTS	P14.16
3.16	METERING REQUIREMENTS	P14.16
3.17	STANDARD INTERCONNECTION AGREEMENT REQUIREMENTS	P14.16
4.0	<u>REFERENCES</u>	P14.16
5.0	<u>ATTACHMENTS</u>	P14.17
5.1	FLICKER CHART	P14.17
5.2	NET METERING TECHNICAL REQUIREMENTS COMPLIANCE CHECKLIST	P14.18
5.3	PROCESS FLOWCHART	P14.20

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.3

Schedule Sheet 3 of 20

(AT)

Replacing: Original

Sheet No. P14.3

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

1.0 Introduction

1.1 Purpose

The purpose of these safety and performance standards for renewable energy facilities is to describe the requirements and procedures for safe and effective interconnection and operation of renewable energy facilities under the Arkansas Public Service Commission (APSC or Commission) Net Metering Rules (the Rules).

A Net Metering Customer may operate a renewable energy facility at 60 Hertz (Hz), single- or three-phase at voltages up to and including 34.5 kV in parallel with the Company's distribution delivery system pursuant to an interconnection agreement, provided that the equipment meets or exceeds the requirements of this standard.

This standard describes typical interconnection requirements. Some installations, however, may require more extensive interconnection facilities, and will be addressed on a case by case basis. This is most likely to be required when several Net Metering Customers desire to connect renewable energy facilities to the same transformer or on the same distribution feeder.

1.2 Scope

The Rules provide that renewable energy facilities, sized according to the Rules, may be installed within the Company's service area on the Net Metering Customer's side of the meter. These facilities will be connected to the distribution delivery system when the distribution delivery system is operating under normal conditions. Some or all of the Net Metering Customer's load may be supplied with energy by the renewable energy facility. Under the Net Metering Rules, the Company's facilities will be available to handle the Net Metering Customer's entire load as needed.

The Rules provide for a maximum size of renewable energy facilities depending on the Net Metering Customer's rate class. Residential applications are limited to a maximum of 25 kW. Commercial applications are limited to a maximum of 100 kW.

The provisions contained in this document are the minimum requirements for safe and effective interconnection and operation of renewable energy facilities operating in parallel with the Company's distribution delivery system pursuant to the Rules.

2.0 Definitions

Abnormal operating conditions – A situation in which the Company is operating the distribution delivery system in a manner inconsistent with normal configuration or under conditions that do not normally exist. Examples of abnormal operating conditions are: (1) times of high usage on the Company's system when Customers are requested to conserve energy or, (2) times when the Company must switch distribution feeder circuits out of use for repairs and switch other alternate feeders into use to deliver energy to Customers.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.4

Schedule Sheet 4 of 20

(AT)

Replacing: Original

Sheet No. P14.4

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

Company - Entergy Arkansas Inc. (EAI)

Customer - Any entity interconnected to the Company's distribution delivery system who takes electric service under one of EAI's rate schedules.

Displaced load - The Net Metering Customer's entire electrical requirement or a portion of it that, except for the output of the Net Metering Customer's renewable energy facilities, would have been served by the Company.

Distribution delivery system - The Company's wires, equipment, and facilities having a voltage of 34.5 kV or below to which the Net Metering Customer's renewable energy facility is interconnected.

Interconnection - The physical connection of renewable energy facilities and the net metering facilities to the distribution delivery system in accordance with the requirements of this standard so that parallel operation can occur.

Interconnection agreement - The Standard Interconnection Agreement for Net Metering Facilities approved by the Commission in EAI Policy Schedule 13.16.

Interconnection facilities - All facilities installed solely to interconnect the Net Metering Customer's system with that of the Company to facilitate the exchange of power between the Net Metering Customer's renewable energy facilities and the Company's power system including, but not limited to, connection, transmission, distribution, engineering, transformation, switching, metering, and safety equipment. Interconnection facilities shall include any additions and/or modifications to the Company's system deemed by the Company to be necessary.

Network service - Two or more primary distribution feeder sources electrically connected on the secondary (or low voltage) side to form one power source for one or more customers. This configuration is designed to maintain service to the customers even after the loss of one of these primary distribution feeder sources.

Net Metering Customer - Any customer with a renewable energy facility that takes service under EAI's net metering tariff.

Net Metering Facility - The hardware and software installed to measure the energy flow both into and out of the Net Metering Customer's facilities for the purpose of determining the usage for billing, if any.

Parallel operation - The operation of renewable energy facilities by a Net Metering Customer while the Net Metering Customer's facilities are physically and electrically interconnected to the Company's distribution delivery system.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.5

Schedule Sheet 5 of 20

(AT)

Replacing: Original

Sheet No. P14.5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

Point of common coupling (PCC) - The point where transfer of any electric power between the customer's facilities and the Company's distribution delivery system takes place, normally at the point of attachment.

Pre-interconnection study - A study or studies that may be conducted by the Company in response to its receipt of a completed interconnection agreement. Pre-interconnection studies may include, but are not limited to:

- (a) **Service study** - An on-site analysis used to determine the interconnection requirements and the system voltage for providing parallel service to a Net Metering Customer with a renewable energy facility. All net metering facilities will require this study.
- (b) **Coordination study** - An engineering analysis that determines whether the presence of the renewable energy facility would interfere with the protective fusing and relaying on the distribution delivery system. It includes an analysis of the renewable energy facilities' contribution to power flow, available fault current, capacitor bank impact, and effects of voltage under normal and worst case situations. Typically, this would be required when more than one Net Metering Customer is or desires to be attached to the same distribution transformer or feeder circuit.
- (c) **Distribution delivery system impact study** - An engineering study that models the distribution delivery system with the proposed renewable energy facilities in place. The modeling must determine whether the distribution delivery system will be able to support the proposed renewable energy facility without reliability problems or interruptions in service to other customers. The study must also include a transient analysis to determine the potential for stability problems. If the model and transient studies indicate that power can flow back to the substation and consequently onto the transmission grid, then similar assessments will be required for the transmission system. This type of study would be required when several Net Metering Customers have renewable energy facilities interconnected on the same feeder circuit and the total output of all interconnected renewable energy facilities on that feeder is 50% or more of the feeder circuit's base load.
- (d) **Secondary network study** - An engineering analysis to specifically determine whether a renewable energy facility can be safely added to a secondary network. Typically, this study would be required when a Net Metering Customer's renewable energy facility is proposed for interconnection to a secondary network.

Protective function - A system that uses hardware (including switching devices), relay protection schemes and software that prevents unsafe operating conditions from occurring before, during, and after the interconnection of the renewable energy facility with the distribution delivery system. This system will be designed to isolate the Net Metering Customer's renewable energy facility or to disconnect it from the distribution delivery system under abnormal operating conditions or outages.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.6

Schedule Sheet 6 of 20

(AT)

Replacing: Original

Sheet No. P14.6

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

Quality of service - An operating state of the distribution delivery system that provides usable power to a customer. This state of usable power includes the parameters specified for power factor (Section 3.9.7), voltage surges and sags (Section 3.9.8), voltage flicker (Section 3.9.9), frequency (Section 3.9.10) and harmonics (Section 3.9.11).

Renewable energy facility - A system of hardware and software by which electric energy is generated using sun, wind, water, or biomass products as the source and as allowed to be interconnected to the Company's distribution system under the Rules.

Stabilized - The distribution delivery system is considered stabilized when, following a disturbance, the system returns to the normal range of voltage and frequency for a duration of two minutes.

Standard of care - A term defining the level of awareness to maintain workplace and public safety in the design, installation and operation of facilities which generate power.

System protection facilities - The equipment required to protect the Company's system and its other customers' facilities from unsafe operating conditions occurring at the Net Metering Customer's renewable energy facilities. The protection requirements shall be met at the PCC, although the devices and functions providing the protective functions can be located elsewhere.

Unsafe operating conditions - A situation that if left uncorrected would result in: (1) harm to any personnel or damage to any equipment, (2) unacceptable system stability or, (3) operation outside established parameters affecting the quality of service to other customers connected to the distribution delivery system.

3.0 Details

3.1 Available Voltage Systems

The Company's primary distribution delivery systems available for parallel generation operations are of grounded wye or closed delta configurations. Generally, all secondary voltage levels from 120/240 V to 34.5 kV single-phase or three-phase (except open-delta and open-wye) are available for interconnection. Open-delta and open-wye secondary voltage configurations require special evaluation prior to interconnection. The voltage level available for connecting the renewable energy facility in parallel with the system depends on the desired location on the Company's distribution delivery system and the size of the Net Metering Customer's renewable energy facility.

3.2 Reasons for Disconnection from the Distribution Delivery System

The Company may disconnect the Net Metering Customer's renewable energy facility from the distribution delivery system under the following conditions:

- (1) Upon expiration or termination of the interconnection agreement;
- (2) Non-compliance of the Net Metering Customer's facility with any of the requirements in this document;

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.7

Schedule Sheet 7 of 20

(AT)

Replacing: Original

Sheet No. P14.7

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

- (3) System emergency -
 - The Company may temporarily disconnect a Net Metering Customer's facility without prior written notice in cases where continued interconnection will endanger persons or property;
 - During the forced outage of the distribution delivery system, the Company shall have the right to temporarily disconnect a Net Metering Customer's facility to make immediate repairs on the distribution delivery system;
- (4) During routine maintenance, repairs, and modifications to the Company's distribution system;
- (5) Lack of approved interconnection agreement -

In order to interconnect the Net Metering Customer's renewable energy facility to the Company's distribution delivery system a Net Metering Customer must first submit to the Company an executed Standard Interconnection Agreement for Net Metering. The Company may refuse to connect or may disconnect the Net Metering Customer's facility if such agreement has not been received and approved.

When possible, the Company will provide the Net Metering Customer with reasonable notice of disconnection and will reconnect the Net Metering Customer as quickly as reasonably practical.

3.3 Pre-Interconnection Studies for Interconnection of Renewable Energy Facilities Under Net Metering Rules

The Company shall conduct one or more pre-interconnection studies prior to interconnection of renewable energy facilities under the Rules.

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Secondary network systems are designed such that they do not allow reverse current flow. This and other aspects of secondary network systems create technical difficulties that may make interconnection more costly to implement. The ability of the Company to connect a Net Metering Customer's renewable energy facility in parallel with the system may be limited if a Net Metering Customer who is served from a secondary network system requests interconnection. The Company may conduct pre-interconnection and network studies to determine to what extent the renewable energy facility may be safely added to the network or may be accommodated in some other fashion.

3.4 System Changes

3.4.1 Company Changes to Distribution Delivery System

The distribution delivery system is a dynamic and changing system. If the Company changes the distribution voltage, the Net Metering Customer will be responsible for paying for all modifications to the Net Metering Customer's facilities required for reconnecting to the Company's reconfigured distribution delivery system. The Company will notify the Net Metering Customer of reconfiguration programs.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.8

Schedule Sheet 8 of 20

(AT)

Replacing: Original

Sheet No. P14.8

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.4.2 Net Metering Customer Changes to Interconnection

The Net Metering Customer shall notify the Company to obtain prior approval for any proposed modifications to the interconnecting scheme.

3.5 Allowable Tie Points

Normally, only one tie point between the Net Metering Customer's facilities and the Company's distribution delivery system will be allowed.

3.6 Energy Flow during Emergencies

Power flow from or to a Net Metering Customer's facilities during periods of system emergencies may be discontinued according to the APSC's rules, and the Company's Tariff, rates, riders or contract with the Net Metering Customer.

3.7 Types of Allowed Generators

Single- or three-phase alternating current generating units may be operated in parallel with the distribution delivery system when used as part of a renewable energy facility. They may be synchronous generators, induction generators, or inverter-controlled systems. The total connected capacity shall not exceed 25 kW for residential installations and 100 kW for commercial installations. Direct-current generation shall not be connected to the Company's alternating-current distribution delivery system.

3.7.1 Limits on Three-Phase Generators

If three-phase service is not available in the area or if Company facilities must be upgraded or otherwise modified in order to enable the Net Metering Customer to connect to these facilities, the Net Metering Customer must pay for the additional cost for such service or improvements as determined by the Company. The Company reserves the right to refuse three-phase service under certain circumstances per the Company's extension policy.

3.7.2 Limits on Single-Phase Generators

Where necessary, to avoid the potential for renewable energy facilities to affect the service to other customers, the Company may limit the capacity and operating characteristics of single-phase generators in a manner consistent with its existing limitations for single-phase motors. A single-phase renewable energy facility shall be limited to a capacity of 25 kW or less.

3.8 Explicit Criteria for Parallel Operations

A Net Metering Customer shall be permitted to interconnect and operate a renewable energy facility in parallel with the Company's distribution delivery systems provided that all of the following criteria are met throughout the life of the interconnection.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.9

Schedule Sheet 9 of 20

(AT)

Replacing: Original

Sheet No. P14.9

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.8.1 Safety

In general, the Net Metering Customer's renewable energy facility will be held to the same standard of care as the Company is required to maintain. The safety of the general public and the personnel and equipment of the Company shall in no way be reduced or impaired as a result of the interconnection. Also, two installation criteria must be met:

- (1) The Net Metering Customer's renewable energy facility shall be equipped with protective functions designed to prevent the renewable energy facility from being connected to a de-energized circuit owned by the Company. The design of some systems provides this function without adding equipment at the PCC. Each system not providing additional devices at the PCC must be shown to be capable of these functions.
- (2) The Net Metering Customer's renewable energy facility shall be equipped with the necessary protective functions designed to prevent connection or parallel operation of the Net Metering Customer's facility with the distribution delivery system unless the distribution delivery system service voltage and frequency are of normal magnitude.

3.8.2 Impact of Interconnection

The quality, reliability and the availability of delivery service to the Company's other customers shall not be diminished or impaired as a result of the interconnection.

3.9 General Interconnection Requirements

The Net Metering Customer's renewable energy facility shall meet the technical requirements as prescribed in this section.

3.9.1 Net Metering Customer's Equipment and Interconnection Standards

The Net Metering Customer's renewable energy facility, net metering facilities and interconnection installation must meet all applicable national, state, and local construction and safety codes.

The Net Metering Customer shall be responsible for the design, installation, operation and maintenance of all equipment and facilities installed or that will be installed on the Net Metering Customer's side of the PCC specified by the parties involved. Such design shall meet the latest standards of Institute of Electrical and Electronic Engineers, National Electric Manufacturers Association, American National Standards Institute, National Electric Code, other national codes and any local codes pertaining to the design and construction of electrical facilities in effect at the time of installation. The facility shall be subject to the requirements of all authorities having jurisdiction and shall comply with all applicable codes and ordinances.

3.9.2 Rating of Net Metering Customer's Equipment

The equipment selected by the Net Metering Customer shall be rated for continuous parallel operation with the Company's system.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.10

Schedule Sheet 10 of 20

(AT)

Replacing: Original

Sheet No. P14.10

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

Renewable energy facilities that are designed to be used as stand-by or emergency power facilities shall not be interconnected to the Company's distribution delivery system for parallel operations under the Rules. Such an emergency power facility must not be interconnected to the Company's system. The customer's facilities shall be disconnected from the Company's system prior to the customer's use of stand-by or emergency facilities.

Net Metering systems that are intended to provide the customer with power during periods when the Company's facilities are unavailable shall be equipped with a transfer switch to prevent energizing a non-energized Company circuit consistent with Sections 3.13.3.3 and 3.8.1 of this policy.

3.9.3 Protection of Net Metering Customer's Equipment

The Net Metering Customer will be responsible for protecting its facilities in such a manner that distribution delivery system outages, short circuits or other disturbances, including zero sequence currents and ferroresonant over-voltages, do not damage the Net Metering Customer's facilities.

The Net Metering Customer's protective equipment shall be installed to prevent the renewable energy facility from causing unnecessary tripping of the distribution delivery system breakers that would affect the distribution delivery system's ability to provide reliable service to other customers.

3.9.4 Required Drawings

Adequate drawings of the Net Metering Customer's proposed renewable energy facility, which will include a one line diagram and proposed relay systems, must be submitted to the Company for review during the planning stage. Additional drawings may be required on a case by case basis.

3.9.5 Changes to Company Facilities

The total cost of any additional equipment that must be installed by the Company on its distribution delivery system to allow parallel operation must be paid for by the Net Metering Customer, including the transformers and any facilities which must be added due to increased fault current or special operating conditions.

3.9.6 Reactive Power Requirements

The Net Metering Customer's renewable energy facility shall normally be responsible for supplying the facility's own reactive power as required by the load to which it supplies power.

3.9.7 Power Factor

The power factor of the renewable energy facility at the PCC shall be according to the appropriate rate schedule for this installation. The presence of the renewable energy

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.11

Schedule Sheet 11 of 20

(AT)

Replacing: Original

Sheet No. P14.11

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

facility shall not cause the power factor to be lower than it was prior to installation and operation of the renewable energy facility.

3.9.8 Voltage Surges or Sags

The Net Metering Customer will operate its renewable energy facility in such a manner that the voltage levels on the distribution delivery system are in the same range (+5.0 % or -5% from nominal voltage) as if the facilities were not connected to the Company's system. The Net Metering Customer shall be responsible for any damages to the Net Metering Customer's facilities, and shall be liable for any damages to the Company's facilities or the facilities of other customers due to any under voltage or over voltage contribution from the renewable energy facility.

3.9.9 Voltage Flicker

The renewable energy facility shall not create objectionable flicker for the Company's other customers. As a guide to identifying objectionable flicker the "Border Line of Irritation" curve is included in Section 5.1. The creation of objectionable flicker shall result in disconnection by the Company until such time that all objectionable flicker problems are corrected.

3.9.10 Frequency

The operating frequency of the Net Metering Customer's renewable energy facility shall not deviate more than +0.5 Hz or -0.7 Hz from a 60 Hz base. The Net Metering Customer's facility shall automatically disconnect from the distribution delivery system within 15 cycles if this frequency tolerance cannot be maintained. The Net Metering Customer may reconnect no sooner than three minutes after the distribution delivery system voltage and frequency have returned to normal range and the system has been stabilized.

3.9.11 Harmonics

In accordance with IEEE 519 the total harmonic distortion (THD) voltage shall not exceed 5.0% of the fundamental 60 Hz frequency nor 3.0% of the fundamental frequency for any individual harmonic when measured at the PCC.

3.10 Inspection Prior to Operations and Additional Requirements

The Company reserves the right to impose any herein described but unmet requirements and to make subsequent final inspection before the renewable energy facility operates to verify that all such unmet requirements have been satisfied. However, the Company has no actual or implied responsibility in this regard. The Net Metering Customer shall be responsible for making necessary changes, at the Net Metering Customer's expense, to the facility should such changes be required.

Inspection by the Company of the Net Metering Customer's equipment and interconnection facilities shall not constitute a determination by the Company of the continuing suitability of such equipment and interconnection. An inspection by the Company shall in no way constitute a

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. P14.12 Schedule Sheet 12 of 20

(AT)

Replacing: Original Sheet No. P14.12

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

warranty or representation by the Company against future negligence, misuse, faulty repairs, or subsequently developing defects, and the Company assumes no responsibility or liability therefor.

3.11 Responsibility for Net Metering Customer's Operations

The Company is not responsible for proper operations of the Net Metering Customer's renewable energy facility upon and after interconnection to the Company's distribution delivery system.

3.12 Responsibility for Net Metering Customer's Annual Maintenance

Annual maintenance of the Net Metering Customer's facility is the Net Metering Customer's sole responsibility. The Net Metering Customer shall maintain records of such maintenance activities, which the Company may review at reasonable times. Such maintenance records shall be made available for the Company's inspection upon request. The Company reserves the right to inspect the records, but has no responsibilities for maintenance either actual or implied.

3.13 Protection/Interface Requirements

Protecting both the Net Metering Customer's facilities and the Company's system are of great importance. Proper protective systems shall be established in the design phase and confirmed prior to start-up of the Net Metering Customer's renewable energy facility. An interconnection between the Company and the Net Metering Customer will not be allowed prior to the proper coordination of protective devices. The Net Metering Customer shall be responsible for providing to the Company the necessary documentation certifying that maintenance and testing have been satisfactorily performed.

3.13.1 Changes to Company Fault Interruption Equipment

Renewable energy facilities that are installed on the Company's distribution delivery system will provide additional fault current to the distribution delivery system. Thus, it is possible that the added facilities will necessitate the modification of the existing fault interrupting devices on the distribution feeder. The Net Metering Customer will be responsible for paying the cost of these changes to the Company's system.

It is also possible that the added facilities will increase the available fault current on the distribution delivery system beyond the interrupting capability of the existing devices on the distribution delivery system. The Net Metering Customer may be required to limit the fault current contribution from the renewable energy facility. Should the Company also be required to make changes, the Net Metering Customer shall pay the cost of the required changes. The issues will be examined on a case-by-case basis.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.13

Schedule Sheet 13 of 20

(AT)

Replacing: Original

Sheet No. P14.13

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.13.2 Tests of the Net Metering Customer's Equipment

The Company reserves the right, but has no responsibility either actual or implied, to observe the Net Metering Customer's tests and/or inspection of any of the Net Metering Customer's protective equipment that is essential to the interconnection, including relays, circuit breakers, protective devices and related equipment. Inspection may include simulated test tripping of the Net Metering Customer's interconnection breakers by the protective relays to verify all protective set points and relay/breaker trip timing prior to interconnection to the Company system.

Inspection by the Company of the Net Metering Customer's equipment and interconnection facilities shall not constitute a determination by the Company of the continuing suitability of such equipment and interconnection. An inspection by the Company shall in no way constitute a warranty or representation by the Company against future negligence, misuse, faulty repairs, or subsequently developing defects, and the Company assumes no responsibility or liability therefor.

The Net Metering Customer shall provide the Company with notice at least two weeks before the initial energizing and start-up testing of the Net Metering Customer's facilities so that the Company may witness the testing of any equipment and protective systems associated with the interconnection.

If upon connecting to the Company's system a system emergency develops, safety issues arise, or the quality of service to other Net Metering Customers is affected, the Company may then require additional inspections or tests of the Net Metering Customer's protective equipment.

3.13.3 Specifying Protective Equipment

The Company will have the right to specify certain protective devices, including relays and circuit breakers that the Net Metering Customer must install. The Company will specify all relay settings on the intertie. Settings of interconnection protective devices on the Net Metering Customer's system will be specified by the Net Metering Customer, but will be checked, coordinated with, and reviewed by the Company before application and after subsequent modification.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.14

Schedule Sheet 14 of 20

(AT)

Replacing: Original

Sheet No. P14.14

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.13.3.1 Service Interruption Equipment

The Net Metering Customer shall provide an automatic method of disconnecting the renewable energy facility from the distribution delivery system when either of the following conditions occurs. The renewable energy facility shall be automatically disconnected from the Company's distribution delivery system if (1) a sustained voltage deviation in excess of +5.0 % or -10% from nominal voltage persists for more than 30 seconds, or (2) a deviation in excess of +10% or -30% from nominal voltage persists for more than ten cycles. The Net Metering Customer may reconnect no sooner than three minutes after the distribution delivery system voltage and frequency have returned to normal range and the system has been stabilized. The design of some systems provides this function without adding equipment at the PCC. Each system not providing additional devices at the PCC must be shown to be capable of these functions.

3.13.3.2 Fault Interrupting Device

The Net Metering Customer shall install a fault-interrupting device between the Company and the renewable energy facility. Circuit breakers or other interrupting devices shall be capable of interrupting maximum available fault current at the PCC. The Company will approve such fault-interrupting device, which is likely to vary in design depending on location, available fault current, and size of the Net Metering Customer's facility.

Since most short circuits on overhead lines are of a temporary nature, it is the Company's normal practice to automatically reclose the substation circuit breaker on overhead lines after an automatic trip. Instantaneous reclosing (10-15 cycles) of circuit breakers and line reclosers may also be used. The Net Metering Customer shall be responsible for automatically disconnecting its facilities from the Company's distribution system prior to the automatic or instantaneous reclosing of a Company's substation circuit breaker or line recloser. The Net Metering Customer's disconnecting device shall not automatically or manually reclose sooner than 30 seconds after the return of the Company's service voltage to normal magnitude and phase sequence following a recloser operation.

For renewable energy facilities using an inverter system, no other fault-interrupting device is required. The inverter interrupts the fault.

3.13.3.3 Equipment to Block Energizing Dead Circuits

Under no condition will the Net Metering Customer be permitted to energize a non-energized Company distribution circuit. The Net Metering Customer shall install equipment to effectively block the renewable energy facility from energizing a non-energized Company circuit. The design of some systems provides this function without adding equipment at the PCC. Each system not providing additional devices at the PCC must be shown to be capable of these functions.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.15

Schedule Sheet 15 of 20

(AT)

Replacing: Original

Sheet No. P14.15

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.13.3.4 Control, Protection and Safety Equipment Requirements For Specific Technologies

Various technologies require unique control, protection, and safety equipment to be installed. The specifications in this section list those requirements unique to the technologies.

3.13.3.4.1 Synchronous Generators

For a Net Metering Customer's synchronous generator, circuit breakers shall be three-phase devices with electronic or electro-mechanical control. The Net Metering Customer is solely responsible for properly synchronizing its generator with the Company's distribution delivery system. The excitation system response ratio shall be 0.5 or greater. The generator's excitation system(s) shall conform, as near as reasonably achievable, to the field voltage versus time criteria specified in American National Standards Institute Standard C50.13-1989 in order to permit adequate field forcing during transient conditions.

3.13.3.4.2 Induction Generators and Inverter Systems

Induction generation may be connected and brought up to synchronous speed (as an induction motor) if it can be demonstrated that the initial voltage drop measured on the distribution delivery system side of the PCC is within the allowable visible flicker standard in Section 5.1. Otherwise, the Net Metering Customer may be required to install hardware or employ other techniques to bring voltage fluctuations to acceptable levels.

Self-commutated inverters whether of the utility-interactive type or stand-alone type shall be used in parallel with the distribution delivery system only with synchronizing equipment. Line-commutated inverters do not require synchronizing equipment.

3.14 Susceptibility to Transmission Faults

Faults, single-phasing events or other abnormal operating conditions occurring on the Company's transmission system could affect a Net Metering Customer's facilities connected to the Company's distribution delivery system. It is the Net Metering Customer's responsibility to protect the Net Metering Customer's facilities from these conditions.

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.16

Schedule Sheet 16 of 20

(AT)

Replacing: Original

Sheet No. P14.16

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

3.15 Synchronizing Requirements

The Net Metering Customer shall be solely responsible for synchronizing and properly connecting and disconnecting its electrical system relative to parallel operation with the Company's system. The Net Metering Customer shall provide an automatic synchronizing scheme to prevent the closing of its circuit breaker when the two electrical systems are out of synchronism.

The Net Metering Customer's renewable energy facility shall be automatically disconnected if its frequency should deviate more than +0.5 Hz or -0.7 Hz from the 60 Hz base. (See Section 3.9.10 Frequency.)

The synchronizing system of the Net Metering Customer must allow the Net Metering Customer's facilities to be operated in parallel only when the Company's distribution system is energized from the Company's system at the PCC.

3.16 Metering Requirements

The metering equipment is usually installed on the Net Metering Customer's premises (on Net Metering Customer owned building, pole or structure) as part of the service entrance equipment. Therefore provisions must be made for it in the Net Metering Customer's installation. Based on the applicable rate schedule and the Company's standard practices, the Net Metering Customer will provide the meter socket and the Company will supply the special meter that will measure the Net Metering Customer's energy flow.

The Net Metering Customer will be required to provide the Company with information regarding the total connected load. The Net Metering Customer may be required to provide and / or install the meter socket, metering transformer enclosure, and adequate attachments or devices for attaching Company's metering facilities to the building. For additional information see the Company's Customer Installation Standards for Electric Service.

3.17 Standard Interconnection Agreement Requirements

A written agreement will be required between the Company and the Net Metering Customer specifying the liability provisions, indemnities, terms of payment of cost to modify distribution delivery system (if not paid in advance), and other items affecting service under this document. This agreement will explain in detail the authority or responsibilities of the parties involved. **An interconnection between the Company's distribution delivery system and a Net Metering Customer's renewable energy facility will not be allowed prior to the execution of a written Standard Interconnection Agreement for Net Metering Facilities.**

4.0 References

IEEE Guide for Protective Relaying of Utility-Consumer Interconnection C37.95 (Latest revision)

IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, 519-1992

IEEE Recommended Practice for Electric Power Distribution for Industrial Plants, 141-1993

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.17

Schedule Sheet 17 of 20

(AT)

Replacing: Original

Sheet No. P14.17

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

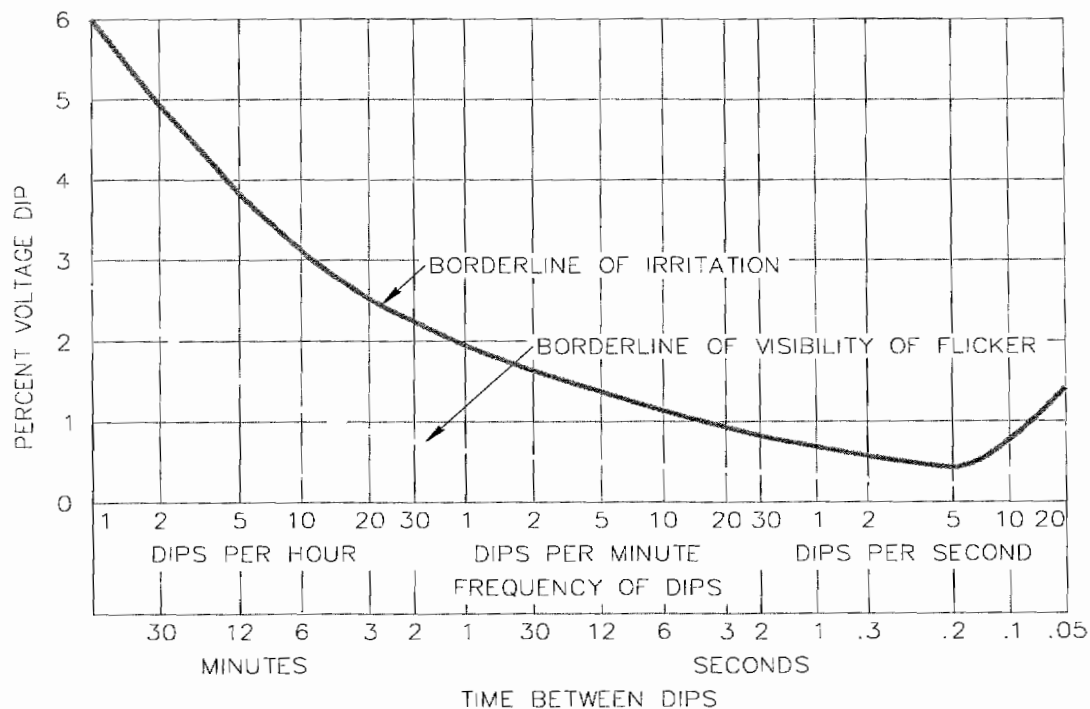
5.0 Attachments

5.1 Flicker Chart

5.2 Net Metering Technical Requirements Compliance Checklist

5.3 Process Flowchart

5.1 Flicker Chart



Flicker Curve. Source: IEEE Std. 141-1993

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.18

Schedule Sheet 18 of 20

(AT)

Replacing: Original

Sheet No. P14.18

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: **Safety and Performance Standards for Net Metering Facilities**

PSC File Mark Only

5.2 Net Metering Technical Requirements Compliance Checklist

This checklist is a summary of the requirements that can be found in detail in this document (Section numbers are provided after each requirement.) Two objectives must be met to arrive at compliance by the proposed installation:

1. **Safety:** The Net Metering Customer's renewable energy facility will be held to the same standard of care, as the Company is required to maintain. In addition, the safety of the general public and the personnel and equipment of the Company shall in no way be reduced or impaired as a result of the interconnection.
2. **Customer Impact:** The quality, reliability and the availability of service to the Company's other customers shall not be diminished or impaired as a result of the interconnection.

ENTERGY REQUIREMENT	
1. Supply reactive power. (3.9.6)	
Description of Proposed Compliance:	
Comment:	
2. Identify power factor. (3.9.7)	
Description of Proposed Compliance:	
Comment:	
3. Limit voltage surges to range of +5% of nominal voltage. (3.9.8)	
Description of Proposed Compliance:	
Comment:	
4. Limit voltage sags to -5% of voltage. (3.9.8)	
Description of Proposed Compliance:	
Comment:	
5. Limit voltage flicker. (3.9.9)	
Description of Proposed Compliance:	
Comment:	
6. Limit harmonic voltage and current. (3.9.11)	
Description of Proposed Compliance:	
Comment:	
7. Disconnect intertie within 10 cycles of a service interruption or fault. (3.13.3.1, 3.13.3.2)	
Description of Proposed Compliance:	
Comment:	

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.19

Schedule Sheet 19 of 20

(AT)

Replacing: Original

Sheet No. P14.19

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

Effective:

Part IV. Policy Schedule No. 14

Title: Safety and Performance Standards for Net Metering Facilities

PSC File Mark Only

ENTERGY REQUIREMENT (continued)	
8. Install fault-interrupting device. (3.13.3.2)	
Description of Proposed Compliance:	
Comment:	
9. Block generator from energizing dead circuits. (3.13.3.3)	
Description of Proposed Compliance:	
Comment:	
10. Specify protective devices and settings. (3.13.3.4)	
Description of Proposed Compliance:	
Comment:	

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised

Sheet No. P14.20

Schedule Sheet 20 of 20

(AT)

Replacing: Original

Sheet No. P14.20

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: Residential/Commercial

Docket No.: 06-101-U

Order No.:

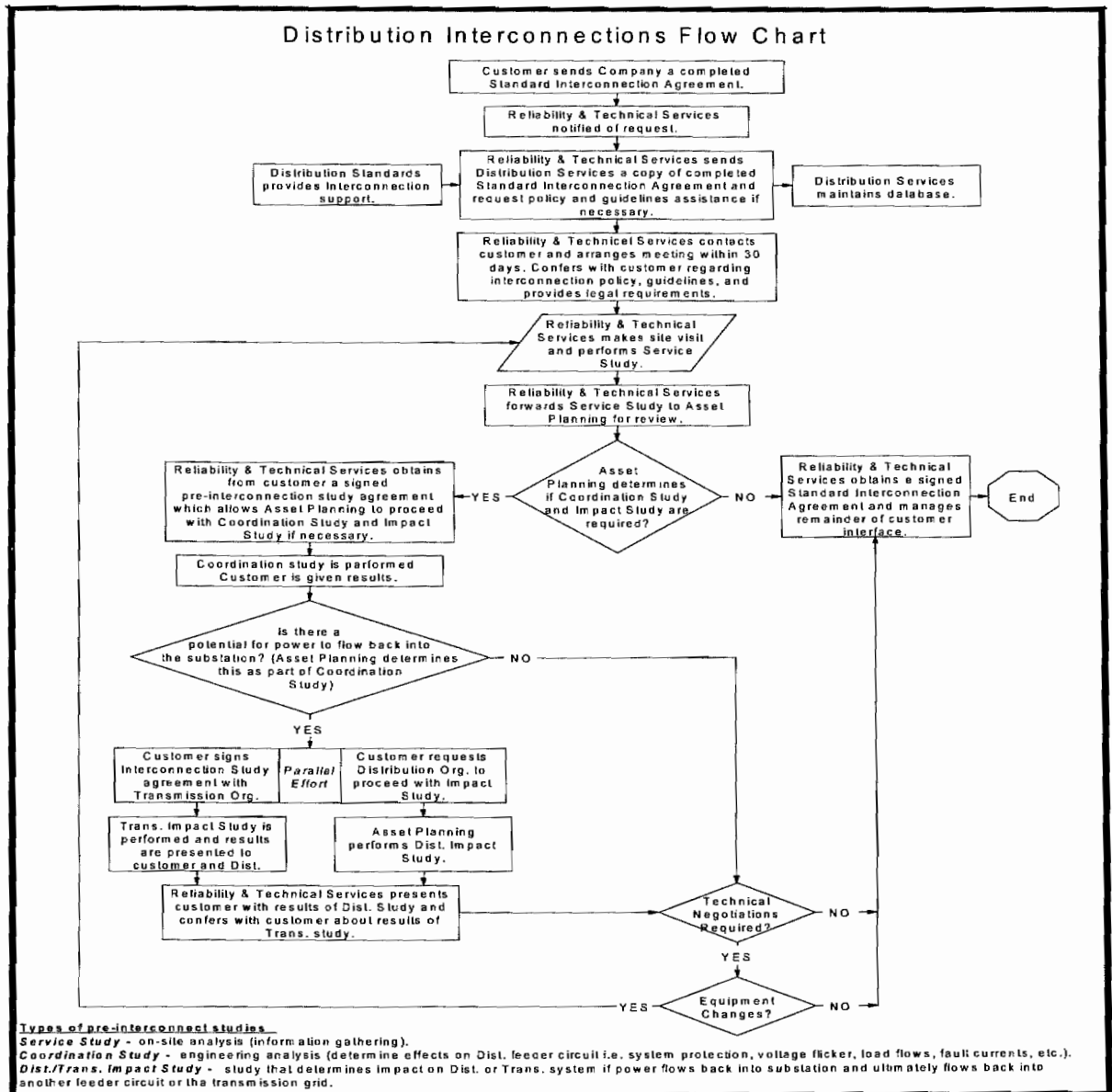
Effective:

Part IV. Policy Schedule No. 14

Title: **Safety and Performance Standards for Net Metering Facilities**

PSC File Mark Only

5.3 Process Flowchart





ARKANSAS PUBLIC SERVICE COMMISSION
LITTLE ROCK, AR 72203-0551
501.377.4457

JUN 22 11 11 AM '07

Entergy Arkansas, Inc.
425 West Capitol Avenue
P.O. Box 551
Little Rock, AR 72203-0551
tel 501 377 4457
Fax 501 377 4415

FILED

Steven K. Strickland
Vice President
Regulatory Affairs

June 22, 2007

Ms. Diana Wilson, Secretary
Arkansas Public Service Commission
P. O. Box 400
1000 Center Street
Little Rock, AR 72203

Re: Docket No. 06-101-U
In the Matter of the Application of Entergy Arkansas, Inc.
For Approval of Changes in Rates for Retail Electric Service

Dear Ms. Wilson:

Please find attached for filing with the Arkansas Public Service Commission (APSC or the Commission), the original and 13 copies of a red-lined and clean version of Rate Schedule No. 48, Production Cost Allocation Rider (Rider PCA) and Rider PCA Attachments A and B with supporting workpapers which reflect the Rider PCA Rates and Rate Calculation for the first Rider PCA billing cycle – July 2007 through June 2008. The revised Rider PCA is filed to comply with the Commission's Order No. 10, issued on June 15, 2007 in the above-captioned Docket.

Entergy Arkansas, Inc. (EAI or the Company) notes that in Order No. 10 at page 128 the Commission directed the parties to develop and file expeditiously an earnings review process. If the Commission approves an earnings review process that requires a change to Rider PCA, then EAI will file a revised Rider PCA to incorporate any additional changes necessitated by the Commission's order on that issue.

The Company requests APSC approval of Rider PCA and the Rates and Rates Calculation in Attachments A and B by June 27 so that the rider and rates can become effective for bills rendered on and after the first billing cycle of July 2007.

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0
5

Ms. Diana Wilson
Page 2
June 22, 2007

Further, the Company is completing a cost-of-service study and rate design in compliance with the Commission's Order No. 10. Compliance base rate tariffs will be filed with the Commission for approval upon completion of this work the week of June 25.

Thank you for your assistance in this matter. If you have any questions or need anything additional concerning this filing, please call me at (501) 377-4457 or Mr. Will Morgan at (501) 377-5489.

Sincerely,

A handwritten signature in black ink, appearing to read "Sh. R. Stith". The signature is fluid and cursive, with the first name "Sh." and last name "Stith" clearly distinguishable.

c: All parties of record w/ Attachments

ENTERGY ARKANSAS, INC.

PRODUCTION COST ALLOCATION RIDER (PCA)

RATE SCHEDULE NO. 48

CLEAN VERSION – FOR APPROVAL

ARKANSAS PUBLIC SERVICE COMMISSION

JUN 22 11 11 AM '07

Original Sheet No. 48.1 Schedule Sheet 1 of 6
 Including Attachments

Replacing: Sheet No.

FILED

Entergy Arkansas, Inc.
 Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.:

Part III. Rate Schedule No. 48

Effective: 6/29/07

Title: **Production Cost Allocation Rider (PCA)**

PSC File Mark Only

48.0 PRODUCTION COST ALLOCATION RIDER

(NR)

48.1 REGULATORY AUTHORITY

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee Legislature in areas of the State of Tennessee served by EAI.

48.2 PURPOSE

The purpose of this Production Cost Allocation Rider ("Rider PCA") is to recover, from EAI's retail customers, the retail allocation of the Company's annual payments/receipts ("FERC Allocation") to/from the other Entergy Operating Companies¹ as directed in Docket No. EL01-88-001, Opinion Nos. 480 and 480-A, and any subsequent modification thereof ("FERC Decision"), excluding any refunds that the Federal Energy Regulatory Commission may possibly order to be paid by EAI to the other Entergy Operating Companies in Docket No. EL01-88-000. Rider PCA shall recover from retail customers any payments made or return to retail customers any receipts received pursuant to the FERC Allocation unless and to the extent those payments or receipts are expressly reflected in base rates or another EAI retail rider. Rider PCA shall apply in accordance with the provisions of § 48.3 below to electric service billed under certain rate schedules, whether metered or unmetered.

48.3 PRODUCTION COST ALLOCATION RATES

The Production Cost Allocation rates ("PCA Rates") shall be set forth in Attachment A to this Rider PCA.

48.4 ANNUAL DETERMINATION

On or about June 22, 2007 and thereafter on or about June 1 each year, beginning in 2008, the Company shall file PCA Rates with the Commission. The PCA Rates, as set out in Attachment A, shall be determined by application of the formula ("PCA Rate Formula") set out in Attachment B and Attachment C to this Rider PCA. The PCA Rates so determined shall be effective for bills

¹ The Entergy Operating Companies are Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, LLC (formerly Entergy Louisiana, Inc.), Entergy Mississippi, Inc., and Entergy New Orleans, Inc.

Docket No.: 06-101-U
Order No.: _____
Effective: 6/29/07

Attachment A to
Rate Schedule No. 48
Page 1 of 1

Rider PCA Rates

(NR)

The Net Monthly Rates set forth in EAI's schedules identified below will be adjusted by the following Rate Adjustment amounts:

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Rate Adjustment</u>
Residential	RS, RT	\$x.xxxx per kWh
Small General Service	SGS, GFS, L2, MP, AP, CGS, CTV, SMWHR	\$x.xxxx per kWh
Large General Service	LGS, LPS, GST PST, SSR	\$x.xxxx per kWh
Lighting	L1, L1SH, L4	\$x.xxxx per kWh

Docket No.: 06-101-U
Order No.: _____
Effective: 6/29/07

Attachment B to
Rate Schedule No. 48
Page 1 of 1

Rider PCA Rate Calculation

(NR)

<u>Rate Class</u>	<u>RFAL By Class¹</u>	<u>Class kWh²</u>	<u>Rate Adjustments³</u>
Residential	\$		\$x.xxxx per kWh
Small General Service	\$		\$x.xxxx per kWh
Large General Service	\$		\$x.xxxx per kWh
Lighting	\$		\$x.xxxx per kWh
Total	\$		

Notes:

- (1) FERC Allocation Level (RFAL) for each rate class from Attachment C
- (2) Class projected billed kWh for the 12 month period beginning with the first billing cycle of July of the filing year
- (3) (RFAL By Class) / Class kWh

PRODUCTION COST ALLOCATION RATE FORMULA

(NR)

$RFAL_i$ = FERC ALLOCATION LEVEL FOR RATE CLASS i

$RFAL_i$ = $[(AFA * EAF_{ai}) + TUA_i] * (1 + RCF_i)$

WHERE,

AFA = ANNUAL FERC ALLOCATION PAYMENT/RECEIPT (1)

EAF_{ai} = RETAIL ENERGY ALLOCATION FACTOR FOR RATE CLASS i FOR THE PRODUCTION COST ALLOCATION PERIOD ADJUSTED FOR KNOWN AND MATERIAL CUSTOMER CHANGES (2) (3)

RCF_i = REVENUE CONVERSION FACTOR FOR RATE CLASS i (4)

TUA_i = TRUE-UP ADJUSTMENT FOR RATE CLASS i FOR THE PRODUCTION COST ALLOCATION PERIOD INCLUDING CARRYING CHARGES

$TUA_i = \sum_{j=1}^{12} [(FA_j * EAF_{bi}) - ((PCAR_{ij} / (1 + RCF_i)) - PTU_{ij})] * (1 + CCR * ((22 - j) / 12))$ (6)

WHERE,

FA_j = FERC ALLOCATION FOR MONTH j OF THE PRODUCTION COST ALLOCATION PERIOD

EAF_{bi} = UNADJUSTED RETAIL ENERGY ALLOCATION FACTOR FOR RATE CLASS i FOR THE PRODUCTION COST ALLOCATION PERIOD (7)

$PCAR_{ij}$ = REVENUE UNDER RIDER PCA FOR RATE CLASS i IN MONTH j OF THE PRODUCTION COST ALLOCATION PERIOD PLUS AN IMPUTED LEVEL OF REVENUES FOR SALES UNDER SPECIAL RATE CONTRACTS WHERE THE PRODUCTION COST ALLOCATION IS NOT SEPARATELY BILLED

RCF_i = REVENUE CONVERSION FACTOR FOR RATE CLASS i (4)

PTU_{ij} = PRIOR PERIOD TRUE-UP ADJUSTMENT APPLICABLE FOR RATE CLASS i FOR MONTH j OF THE PRODUCTION COST ALLOCATION PERIOD

CCR = CARRYING CHARGE RATE (5)

Docket No.: 06-101-U
Order No.: _____
Effective: 6/29/07

Attachment C to
Rate Schedule No. 48
Page 2 of 2

Notes:

- (1) The Annual FERC Allocation Payment/Receipt is EAI's annual payment/receipt to/from the other Entergy Operating Companies pursuant to the FERC Decision.
- (2) The Production Cost Allocation Period is the 12 month period ending 4 months prior to the filing date (a June filing would use 12 months ending February data).
- (3) EAF_{ai} is calculated using actual energy usage for rate class i for the Production Cost Allocation Period adjusted for known and material customer changes.
- (4) The revenue conversion factor shall be equal to $1 / (1 - \text{Bad Debt Rate} + \text{Forfeited Discount Rate})$. The Bad Debt Rate is calculated by dividing the net bad debt expenses for each rate class by the corresponding rate schedule revenues for the prior calendar year. The Forfeited Discount Rate is calculated by dividing the revenues recorded in Account 450 – Forfeited Discounts for each rate class by the corresponding rate schedule revenues for the prior calendar year.
- (5) The Carrying Charge Rate shall be the interest rate ordered by the Commission to be paid on utility service customer deposits by EAI.
- (6) Month j shall be determined by March = 1, April = 2 through February = 12.
- (7) EAF_{bi} is calculated using actual energy usage for rate class i for the Production Cost Allocation Period.

(NR)

ENTERGY ARKANSAS, INC.
PRODUCTION COST ALLOCATION RIDER (PCA)
RATE SCHEDULE NO. 48
REDLINED VERSION – FOR REFERENCE

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 48.1 Schedule Sheet 1 of 6
Including Attachments

Replacing: Sheet No.

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No. 48

Docket No.: 06-101-U

Order No.: _____

Effective: 6/29/07

Title: **Production Cost Allocation Rider (PCA)**

PSC File Mark Only

48.0 PRODUCTION COST ALLOCATION RIDER

(NR)

48.1 REGULATORY AUTHORITY

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee Legislature in areas of the State of Tennessee served by EAI.

48.2 PURPOSE

The purpose of this Production Cost Allocation Rider ("Rider PCA") is to recover, from EAI's retail customers, the retail allocation of the Company's annual payments/receipts ("FERC Allocation") to/from the other Entergy Operating Companies¹ as directed in Docket No. EL01-88-001, Opinion Nos. 480 and 480-A, and any subsequent modification thereof ("FERC Decision"), excluding any refunds that the Federal Energy Regulatory Commission may possibly order to be paid by EAI to the other Entergy Operating Companies in Docket No. EL01-88-000. Rider PCA shall recover from retail customers any payments made or return to retail customers any receipts received pursuant to the FERC Allocation unless and to the extent those payments or receipts are expressly reflected in base rates or another EAI retail rider. Rider PCA shall apply in accordance with the provisions of § 48.3 below to electric service billed under certain rate schedules, whether metered or unmetered.

48.3 PRODUCTION COST ALLOCATION RATES

The Production Cost Allocation rates ("PCA Rates") shall be set forth in Attachment A to this Rider PCA.

48.4 ANNUAL DETERMINATION

On or about June 22, 2007 and thereafter oOn or about June 1 each year, beginning in 2008⁷, the Company shall file PCA Rates with the Commission. The PCA Rates, as set out in Attachment A, shall be determined by application of the formula ("PCA Rate Formula") set out in Attachment B and Attachment C to this Rider PCA. The PCA Rates so determined shall be effective for bills rendered on and after the first billing cycle for July of the filing year and shall

¹ The Entergy Operating Companies are Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, LLC (formerly Entergy Louisiana, Inc.), Entergy Mississippi, Inc., and Entergy New Orleans, Inc.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 48.2 Schedule Sheet 2 of 6
Including Attachments

Replacing: Sheet No.

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

Docket No.: 06-101-U

Order No.: _____

Effective: 6/29/07

Part III. Rate Schedule No. 48

Title: **Production Cost Allocation Rider (PCA)**

PSC File Mark Only

(NR)

remain in effect until updated. Each such set of PCA Rates shall be filed in Commission Report Docket No. 86-033-A the proper underlying docket and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the redetermined PCA Rates.

Redetermined PCA rates shall reflect the retail allocation of any payments or receipts relating to the FERC Allocation together with a true-up adjustment reflecting the over- or under-recovery of the twelve month period ending the last day of the preceding February. Any over- or under-recovery balance for each rate class will be decreased or increased by monthly carrying charges based on the rate of return on interest rate base last approved for the Company ordered by the Commission in a non-appealable order to be paid on utility service customer deposits by the Company. The cumulative over- or under-recovery for each rate class as of the last day of the preceding February shall be subtracted from or added to the rider level for the corresponding rate class in the annual Redetermination.

48.5 INTERIM ADJUSTMENT

Should a cumulative over-recovery or under-recovery balance arise which exceeds 55 percent of the APSC jurisdictional portion of the annual FERC Allocation included in the most recently filed rate redetermination under this Rider PCA, then either the APSC General Staff or the Company may propose an interim revision to the then currently effective PCA Rates.

48.6 TERM

This Rider PCA shall ~~remain in effect until~~ expire December 31, 2008, unless expressly authorized by the Commission to be continued beyond that date or unless terminated in accordance with applicable regulations or laws.

~~When~~ this Rider PCA expires or is terminated by a future order of the Commission, the PCA Rates shall continue in effect until such costs are reflected for recovery under another mechanism or until the implementation of new base rates reflecting such costs.

If the Company is no longer allocated FERC Allocation payments or receipts, any under-recovery at the end of the last month that FERC Allocation payments or receipts are recorded ("End Month") will be recovered from current customers over six months beginning with the first billing cycle of the second month following the End Month. In the event of an over-recovery at the End Month, the balance will be returned to customers over one month beginning with the first billing cycle in the second month following the End Month. Any over- or under-recovery balance will be subject to carrying charges calculated under the method described in Attachment C adjusted to reflect the shorter recovery or return period.

Docket No.: 06-101-U

Order No.: _____

Effective: 6/29/07

Attachment A to
Rate Schedule No. 48
Page 1 of 1

Rider PCA Rates

(NR)

The Net Monthly Rates set forth in EAI's schedules identified below will be adjusted by the following Rate Adjustment amounts:

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Rate Adjustment</u>
Residential	RS, RT	\$x.xxxx per kWh
Small General Service	SGS, GFS, L2, MP, AP, CGS, CTV, SMWHR	\$x.xxxx per kWh
Large General Service	LGS, LPS, <u>GST</u> <u>LCTOUPST</u> , SSR	\$x.xxxx per kWh
Lighting	L1, L1SH, L4	\$x.xxxx per kWh

Docket No.: 06-101-U

Order No.: _____

Effective: 6/29/07

Attachment B to
Rate Schedule No. 48

Page 1 of 1

Rider PCA Rate Calculation

(NR)

Rate Class	EAFC ¹	RFAL By Class ²¹	Class kWh ³²	Rate Adjustments ⁴³
Residential	%	\$		\$x.xxxx per kWh
Small General Service	%	\$		\$x.xxxx per kWh
Large General Service	%	\$		\$x.xxxx per kWh
Lighting	%	\$		\$x.xxxx per kWh
Total	%	\$		

Notes:

(1) ~~EAFC is the Retail Class Energy Allocation Factor for the 12 month period ending 4 months prior to the filing date (a June filing would use 12 months ending February data) calculated using actual retail class energy usage adjusted for known and material customer changes~~

(12) ~~Retail-FERC Allocation Level (RFAL) for each rate class from Attachment C * EAFC~~

(23) ~~Class projected billed kWh for the 12 month period beginning with the first billing cycle of July of the filing year ending 4 months prior to the filing date adjusted for known and material customer changes~~

(34) ~~(RFAL By Class) / Class kWh~~

PRODUCTION COST ALLOCATION RATE FORMULA

(NR)

$$RFAL_i = \text{RETAILFERC ALLOCATION LEVEL FOR RATE CLASS } i$$

$$RFAL_i = [(AFA * EAF_{Abl}) + TUA_i] * (1 + RCF_i)$$

WHERE,

$$AFA = \text{ANNUAL FERC ALLOCATION PAYMENT/RECEIPT (1)}$$

$$EAF_{Abl} = \text{RETAIL ENERGY ALLOCATION FACTOR FOR RATE CLASS } i \text{ FOR THE PRODUCTION COST ALLOCATION PERIOD ADJUSTED FOR KNOWN AND MATERIAL CUSTOMER CHANGES (2) (3)}$$

$$RCF_i = \text{REVENUE CONVERSION FACTOR FOR RATE CLASS } i \text{ (4)}$$

$$TUA_i = \text{TRUE-UP ADJUSTMENT FOR RATE CLASS } i \text{ FOR THE PRODUCTION COST ALLOCATION PERIOD INCLUDING CARRYING CHARGES (5)}$$

$$TUA_i = \sum_{j=1}^{12} [(FA_j * EAF_{Bbl}) - ((PCAR_{ij} / (1 + RCF_i)) - PTU_{ij})] * (1 + CCR * ((22 - j) / 12)) \text{ (6)}$$

WHERE,

$$FA_j = \text{FERC ALLOCATION FOR MONTH } j \text{ OF THE PRODUCTION COST ALLOCATION PERIOD}$$

$$EAF_{Bbl} = \text{UNADJUSTED RETAIL ENERGY ALLOCATION FACTOR FOR RATE CLASS } i \text{ FOR THE PRODUCTION COST ALLOCATION PERIOD (7)}$$

$$PCAR_{ij} = \text{REVENUE UNDER RIDER PCA FOR RATE CLASS } i \text{ IN MONTH } j \text{ OF THE PRODUCTION COST ALLOCATION PERIOD PLUS AN IMPUTED LEVEL OF REVENUES FOR SALES UNDER SPECIAL RATE CONTRACTS WHERE THE PRODUCTION COST ALLOCATION IS NOT SEPARATELY BILLED}$$

$$RCF_i = \text{REVENUE CONVERSION FACTOR FOR RATE CLASS } i \text{ (4)}$$

$$PTU_{ij} = \text{PRIOR PERIOD TRUE-UP ADJUSTMENT APPLICABLE FOR RATE CLASS } i \text{ FOR MONTH } j \text{ OF THE PRODUCTION COST ALLOCATION PERIOD}$$

$$CCR = \text{CARRYING CHARGE RATE (5)}$$

Notes:

- (1) The Annual FERC Allocation Payment/Receipt is EAI's annual payment/receipt to/from the other Entergy Operating Companies pursuant to the FERC Decision.
- (2) The Production Cost Allocation Period is the 12 month period ending 4 months prior to the filing date (a June filing would use 12 months ending February data).
- (3) EAF_{Adj} is calculated using actual energy usage for rate class i for the Production Cost Allocation Period adjusted for known and material customer changes.
- (4) The revenue conversion factor shall be equal to $1 / (1 - \text{Retail-Bad Debt Rate} + \text{Forfeited Discount Rate})$. The Retail-Bad Debt Rate is calculated by dividing the net retail-bad debt expenses for each rate class by retail the corresponding rate schedule revenues for the prior calendar year. The Forfeited Discount Rate is calculated by dividing the revenues recorded in Account 450 – Forfeited Discounts for each rate class by the retail corresponding rate schedule revenues for the prior calendar year.
- (5) The Carrying Charge Rate shall be the authorized interest rate of return ordered by the Commission to be paid on rate-base most recently approved for utility service customer deposits by EAI by the Commission in a non-appealable order.
- (6) Month j shall be determined by March = 1, April = 2 through February = 12.
- (7) EAF_{Bt} is calculated using actual energy usage for rate class i for the Production Cost Allocation Period.

(NR)

ENTERGY ARKANSAS, INC.
PRODUCTION COST ALLOCATION RIDER (PCA)
RATE SCHEDULE NO. 48
ATTACHMENT A & B
WITH
WORKPAPERS

Docket No.: 06-101-U
Order No.:
Effective: 6/29/07

Attachment A to
Rate Schedule No. 48
Page 1 of 1

Rider PCA Rates

The Net Monthly Rates set forth in EAI's schedules identified below will be adjusted by the following Rate Adjustment amounts:

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Rate Adjustment</u>
Residential	RS, RT	\$0.01107 per kWh
Small General Service	SGS, GFS, L2, MP, AP, CGS, CTV, SMWHR	\$0.01091 per kWh
Large General Service	LGS, LPS, GST PST, SSR	\$0.01073 per kWh
Lighting	L1, L1SH, L4	\$0.01074 per kWh

Docket No.: 06-101-U

Order No.:

Effective: 6/29/07

Attachment B to

Rate Schedule No. 48

Page 1 of 1

Rider PCA Rate Calculation

<u>Rate Class</u>	<u>RFAL By Class¹</u>	<u>Class kWh²</u>	<u>Rate Adjustments³</u>
Residential	\$85,477,774	7,723,334,276	\$0.01107 per kWh
Small General Service	\$48,937,482	4,485,404,503	\$0.01091 per kWh
Large General Service	\$98,196,173	9,150,540,721	\$0.01073 per kWh
Lighting	\$2,754,306	256,512,438	\$0.01074 per kWh
Total	<u>\$235,365,735</u>	<u>21,615,791,938</u>	

Notes:

(1) FERC Allocation Level (RFAL) for each rate class from Attachment C

(2) Class projected billed kWh for the 12 month period beginning with the first billing cycle of July of the filing year

(3) (RFAL By Class) / Class kWh

Entergy Arkansas, Inc.

FERC Allocation of Payment/Receipt Level to EAI and Rate Development by Rate Class

Entergy System Agreement MSS-3 Filing in Compliance with FERC Opinion Nos 480 & 480-A For the Year Ended 12/31/06

Line No.	Variable Name	Attachment C - Production Cost Allocation Rate Formula					Attachment B - Rider PCA Rate Calculation		
		AFA	EAFA _i	TUA _j	RCF _i	RFAL _j	RFAL by Class	Class kWh	Rate Adjustments
		Annual FERC Allocation Payment/Receipt ⁽¹⁾	Energy Allocation Factor ⁽²⁾	True-up Adjustment by Rate Class ⁽³⁾	Rate Revenue Conversion Factors ⁽⁴⁾	FERC Allocation Level by Rate Class ⁽⁵⁾	FERC Allocation Level by Rate Class ⁽⁶⁾	Projected Billing Units ⁽⁷⁾	Rate Adjustment by Rate Class ⁽⁸⁾
1	<u>EAI Rate Class</u>								
2	Residential	\$ 85,375,324	33.9153%	\$ -	1.0012	\$ 85,477,774	\$ 85,477,774	7,723,334,276 kWh	\$0.01107 per kWh
3	Small General Service	\$ 48,927,696	19.4365%	\$ -	1.0002	\$ 48,937,482	\$ 48,937,482	4,485,404,503 kWh	\$0.01091 per kWh
4	Large General Service	\$ 98,264,958	39.0357%	\$ -	0.9993	\$ 98,196,173	\$ 98,196,173	9,150,540,721 kWh	\$0.01073 per kWh
5	Lighting	\$ 2,752,930	1.0936%	\$ -	1.0005	\$ 2,754,306	\$ 2,754,306	256,512,438 kWh	\$0.01074 per kWh
6	Retail Allocation	\$ 235,320,908	93.4811%	\$ -		\$ 235,365,735	\$ 235,365,735	21,615,791,936 kWh	
7	Wholesale for Resale	\$ 16,410,092	6.5189%						
8	Total (1)	\$ 251,731,000	100.0000%						

Notes:

- (1) Total Annual FERC Allocation Payment/Receipt to EAI per the System Agreement MSS-3 Compliance Filing. See Workpaper WP.11. Rate Class amounts are the Total on Line 8 Column 1 * Respective Energy Allocation Factor in Column 2
- (2) See Workpaper WP.4
- (3) For the Initial Determination, the TUA_j equals zero for each retail rate class.
- (4) See Workpaper WP.8
- (5) (Class Allocation of Annual FERC Payment/Receipt (Column 1) + True-Up Adjustment (Column 3)) * Revenue Conversion Factor (Column 4)
- (6) FERC Allocation Level (RFAL_j) from Attachment C by Rate Class (Equals Column 5)
- (7) Projected class billed kWh for the 12 month period beginning with the first billing cycle of July of the filing year. See Workpaper WP.2
- (8) RFAL_j By Class (Column 6) / Class kWh (Column 7)

ENTERGY ARKANSAS, INC.
BILLING DETERMINANT DEVELOPMENT
2007 PRODUCTION COST ALLOCATION RIDER

Development of Energy (kWh) Billing Determinant for all Rate Class						
	Actual mWh (1)					Forecasted 2007 kWh (3)
	2006	2005	2004	Total	Average	
Residential						
Residential	7,586,194	7,585,540	6,961,715	22,133,449	7,377,816	7,723,334,276
Lighting	69,097	67,780	66,279	203,156	67,719	70,890,068
Total Residential	7,655,291	7,653,320	7,027,994	22,336,605	7,445,535	7,794,224,344
Commercial						
Small GS	3,158,403	3,138,852	2,951,798	9,249,053	3,083,018	3,235,550,424
Large GS						
LG-NTOU	1,254,679	1,276,897	1,231,226	3,762,802	1,254,267	
LG-TOU	1,307,353	1,221,153	1,153,050	3,681,556	1,227,185	
Total Large GS	2,562,032	2,498,050	2,384,276	7,444,358	2,481,453	2,604,222,907
Lighting	95,686	93,456	91,686	280,828	93,609	98,240,669
Total Commercial	5,816,121	5,730,358	5,427,760	16,974,239	5,658,080	5,938,014,000
Industrial						
Small GS	1,225,885	1,214,902	1,128,955	3,569,742	1,189,914	1,235,302,552
Large GS						
LG-NTOU	1,368,148	1,347,224	1,366,720	4,082,092	1,360,697	
LG-TOU	4,978,034	4,756,612	4,493,891	14,228,537	4,742,846	
Total Large GS	6,346,182	6,103,836	5,860,611	18,310,629	6,103,543	6,336,358,969
Lighting	15,120	14,915	14,693	44,728	14,909	15,478,041
Total Industrial	7,587,187	7,333,653	7,004,259	21,925,099	7,308,366	7,587,139,563
Govt & Muni						
Small GS	12,337	15,198	13,480	41,015	13,672	14,551,526
Large GS						
LG-NTOU	63,193	69,571	58,372	191,136	63,712	
LG-TOU	129,970	135,251	135,434	400,655	133,552	
Total Large GS	193,163	204,822	193,806	591,791	197,264	209,958,845
Lighting						
Sales Pub Aut	15	17	11	43	14	
Public St & Hw	67,736	67,686	67,203	202,625	67,542	
Total Lighting	67,751	67,703	67,214	202,668	67,556	71,903,661
Total Govt & Muni	273,251	287,723	274,500	835,474	278,491	296,414,031
Total Retail	21,331,850	21,005,054	19,734,513	62,071,417	20,690,472	21,615,791,938
TOTAL BY RATE CLASS						kWh
Residential	7,586,194	7,585,540	6,961,715	22,133,449	7,377,816	7,723,334,276
Small Gen. Serv	4,396,625	4,368,952	4,094,233	12,859,810	4,286,603	4,485,404,503
Large Gen. Serv	9,101,377	8,806,708	8,438,693	26,346,778	8,782,259	9,150,540,721
Lighting	247,654	243,854	239,872	731,380	243,793	256,512,438
Total Retail	21,331,850	21,005,054	19,734,513	62,071,417	20,690,472	21,615,791,938

Notes (1) Actual Historical Rate Class kWh and kW provided by Rate Administration
(2) 3 year average ratio of Rate Class mWh to the Total MWh within the Revenue Class
(3) Forecast provided on Revenue Class basis therefore converted to Rate Class based on 3 year Historical Average MWh

Revenue Summary
2007 05 Utility PE May
(\$000)

	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008
TOTAL												
7,794,224	813,415	856,101	830,760	806,498	470,265	570,641	743,826	655,547	590,348	506,603	462,116	624,283
5,936,014	584,153	609,391	605,466	525,182	434,814	432,908	474,984	440,870	430,728	416,634	450,719	531,965
7,587,140	687,146	689,806	670,357	848,122	618,682	606,972	589,001	584,455	580,754	607,920	629,651	686,274
296,414	28,483	29,052	27,459	24,672	21,726	22,249	24,527	23,005	22,455	22,896	23,739	26,152
21,615,792	2,123,166	2,226,346	2,134,062	1,802,475	1,545,508	1,632,770	1,892,140	1,703,876	1,624,286	1,556,252	1,586,226	1,848,653

A-EAI

Monthly Sales Weather Adjusted (MWh)

Residential	
Commercial	
Industrial	
Governmental	
Sum	

WP.3

Entergy Arkansas Inc.
Summary of Pro Formed Allocation Factors
For the Twelve Months Ended February 28, 2007

Line No.	Rate Class	MWh Sales ⁽¹⁾	Rate Class Energy Allocation Factor
1	Residential	8,404,989	0.339153
2	Small General Service	4,816,813	0.194365
3	Large General Service	9,673,922	0.390357
4	Lighting	<u>271,026</u>	<u>0.010936</u>
5	Total Retail	23,166,751	0.934811
6	Wholesale for Resale	<u>1,615,519</u>	<u>0.065189</u>
7	Total Company	24,782,270	1.000000

(1) See Workpaper WP.5

Entergy Arkansas Inc.
Energy Allocation Factor Input
For the Twelve Months Ended February 28, 2007

Line		Energy @ Meter	Energy Loss	Energy @ Plant
No.	Class	MWh ⁽¹⁾	Factor ⁽²⁾	MWh
(a)	(b)	(c)	(d)	(e)
	<u>Residential</u>			
1	Secondary	7,703,501	0.091061	8,404,989
	<u>Small General Service</u>			
2	Secondary	4,322,235	0.091061	4,715,822
3	Primary	65,302	0.065623	69,588
4	Transmission <230 kV	30,668	0.023993	31,404
5	Total	4,418,205		4,816,813
	<u>Large General Service</u>			
6	Secondary	4,149,395	0.091061	4,527,243
7	Primary	4,316,489	0.065623	4,599,750
8	Transmission <230 kV	534,114	0.023993	546,929
9	Total	8,999,998		9,673,922
	<u>Lighting</u>			
10	Secondary	248,406	0.091061	271,026
11	Total Retail	21,370,110		23,166,751
	<u>Wholesale for Resale</u>			
12	Secondary	404	0.091061	441
13	Primary	5,742	0.065623	6,118
14	Substation	205,612	0.035278	212,865
15	Transmission <230 kV	-	0.023993	-
16	Transmission >=230 kV	-	0.004382	-
17	Tran >=230 kV @ Plant	1,444,756	-	1,444,756
18	Total	1,656,513		1,664,180
19	Less Entitlements ⁽³⁾			(48,661)
20	Total with Entitlements Removed			1,615,519
21	Total Company	23,026,624		24,782,270

(1) See Workpaper WP.6

(2) See Workpaper WP.7

(3) Osceola, Thayer

Entergy Arkansas Inc.
Pro Formed kWh
For the Twelve Months Ended February 28, 2007

Line No.	Class	Annual kWh
(a)	(b)	(c)
	<u>Residential</u>	
1	Secondary	7,703,500,565
	<u>Small General Service</u>	
2	Secondary	4,322,234,571
3	Primary	65,302,482
4	Transmission <230 kV	30,668,200
5	Total	4,418,205,253
	<u>Large General Service</u>	
6	Secondary	4,149,394,616
7	Primary	4,316,489,448
8	Transmission <230 kV	534,114,349
9	Total	8,999,998,413
	<u>Lighting</u>	
10	Secondary	248,405,996
11	Total Retail	21,370,110,227
	<u>Wholesale for Resale</u>	
12	Secondary	403,990
13	Primary	5,741,574
14	Substation	205,611,778
15	Transmission <230 kV	-
16	Transmission >=230 kV	-
17	Tran >=230 kV @ Plant	1,444,756,000
18	Total	1,656,513,342
19	Total Company	23,026,623,569

Source: Company Records

Entergy Arkansas Inc.
Energy Loss Factors
For the Twelve Months Ended February 28, 2007

Line No.	Voltage Level	Energy
(a)	(b)	(c)
1	Secondary	0.091061
2	Primary	0.065623
3	Substation	0.035278
4	Transmission <230 kV	0.023993
5	Transmission >=230 kV	0.004382

Source: Transmission Technical System Planning

Entergy Arkansas Inc.
Revenue Conversion Factor Development
For the Twelve Months Ended December 31, 2006

Line No.	Rate Class	Bad Debt Rate ⁽¹⁾	Forfeited Discount Rate ⁽²⁾	Revenue Conversion Factor ⁽³⁾
1	Residential	0.0118	0.0106	1.0012
2	Small General Service	0.0020	0.0018	1.0002
3	Large General Service	0.0005	0.0012	0.9993
4	Lighting	<u>0.0050</u>	<u>0.0045</u>	1.0005
5	Total Retail	0.0059	0.0055	

(1) See Workpaper WP.9

(2) See Workpaper WP.10

(3) Revenue Conversion Factor = $1 / (1 - \text{Bad Debt Rate} + \text{Forfeited Discount Rate})$

ENTERGY ARKANSAS, INC.
SPREAD OF NET WRITE-OFFS
DATA PROVIDED BY CREDIT & COLLECTIONS
2006

RATE CLASSES	GROSS RATE SCHEDULE		ALLOCATION %	ACTUAL NET WRITE-OFFS \$'s	PER BOOK REVENUES \$'s	BAD DEBT FACTOR (5)
	WRITE-OFF AMOUNTS \$'s	(1)				
EAI						
APSC RETAIL RESIDENTIAL	13,579,154		0.882287	8,035,866	678,361,977	0.0118
SMALL GEN SVC	1,181,589		0.076772	699,240	341,865,351	0.0020
LARGE GEN SVC	392,772		0.025520	232,434	495,178,567	0.0005
LIGHTING	237,350		0.015421	140,459	28,374,501	0.0050
TOTAL APSC RETAIL	15,390,865		1.000000	9,108,000	1,543,780,396	0.0059
NO RATE CODE	1,419,266			NA	35,453,173	
TOTAL	16,810,131				1,579,233,569	

Notes:

(1) Rate Schedule Gross Write-Offs Provided By Credits & Collections - 2006 (Summarized into Rate Classes)

(2) Allocation %'s By Rate Class= Rate Schedule Write-Offs By Class / Total Company from column (1)

Allocation %'s Exclude Gross Write-off Amount w / no Rate Code

(3) Net Revenue Class Write-Offs-2006- From Accounting System As Provided By Credit & Collections:

EAI-APSC Net Write Offs 9,108,000

Apportioned To Rate Classes Based On Allocation %'s In column (2)

(4) 2006 EAI Per Book Revenues Per FERC Form 1 As Provided By Rate Admin By Rate Class For Retail & Direct Resale - A/C's 447 & 456 From FERC Form 1

(5) Bad Debt Factor = (3) / (4) By Rate Class

ENTERGY ARKANSAS, INC.
SPREAD OF FORFEITED DISCOUNTS
DATA PROVIDED BY REVENUE ACCOUNTING
2006

RATE CLASSES	ACTUAL NET FORFEITED DISCOUNTS \$'s (1)	PER BOOK REVENUES \$'s (2)	FORFEITED DISCOUNT FACTOR (3)
EAI			
APSC RETAIL			
RESIDENTIAL	7,189,451	678,361,977	0.0106
SMALL GEN SVC	598,469	341,865,351	0.0018
LARGE GEN SVC	578,984	495,178,567	0.0012
LIGHTING	128,721	28,374,501	0.0045
TOTAL APSC RETAIL	8,495,625	1,543,780,398	0.0055
NO RATE CODE/RENTS	230,718	35,453,173	
TOTAL	8,726,343	1,579,233,569	

(1) Net Forfeited Discounts Provided By Revenue Accounting - 2006 (Summarized into Rate Classes)
(2) 2006 EAI Per Book Revenues Per FERC Form 1 As Provided By Rate Admin By Rate Class For Retail
& Direct Resale - A/C's 447 & 456 From FERC Form 1
(3) Forfeited Discount Factor = (1) / (2) By Rate Class

ENTERGY SERVICES, INC.
ENTERGY SYSTEM AGREEMENT SERVICE SCHEDULE MSS-3 2007 FILING IN COMPLIANCE WITH FERC OPINION NOS. 480 AND 480-A
FOR THE YEAR ENDED DECEMBER 31, 2006

(000's)

Line No.	Formula / Reference	System	EAI	EGS	ELL	EMI	ENCI
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Section 30.11: Rough Production Cost Equalization

1	D = Disparity						
2	$D = [(PC / APC) - 1] * 100\%$						
	where:						
3	PC = Actual Production Cost	A.2 Ln 28 =	6,613,665	1,067,133	2,495,827	1,852,571	963,584
4	APC = Average Production Cost	A.5 Ln 137 =	6,613,665	1,481,845	2,297,441	1,702,758	892,225
5	\$DD = Dollar Deviation from Average (\$)	Ln 3 - Ln 4 =	0	(414,711)	199,386	149,813	71,359

Determination of Average Production Cost outside the 11% Band							
6	D = Disparity	$[(Ln 3 / Ln 4) - 1] * 100\% =$	-27.99%	8.68%	8.80%	8.00%	-2.44%
	where:						
7	PCBB = Production Cost Below Band						
8	PCBB = If %DD						
	If Ln 6 < -11%, Then (Ln 6 + 11%) / Ln 6 * Ln 5, Otherwise 0 =	(251,731)	0	0	0	0	0
	or,						
9	PCAB = Production Cost Above Band						
10	PCAB = If %DD						
	If Ln 6 > 11%, Then (Ln 6 - 11%) / Ln 6 * Ln 5, Otherwise 0 =	0	0	0	0	0	0
11	% DD = Percent Dollar Deviation at the Band	$(Ln 5 - Ln 6) / Ln 5 =$	-11.00%	8.68%	8.80%	8.00%	-2.44%

Equalization							
Step 1							
12	Receipts of the company with the highest disparity up to the level of the sum of the payments or until the receiving company's adjusted disparity matches the disparity of the next highest company.	(2,014)	0	2,014	0	0	0
13	D ¹ = Disparity after Step 1	$(Ln 6 - Ln 12) / Ln 4 =$	-27.85%	8.69%	8.80%	8.00%	-2.44%
Step 2							
14	Remaining (payments), if any, become the receipts of the two companies equally as a percent deviation up to the level of the distribution of the remaining (payments) or until these two companies' adjusted disparity matches the disparity of the third highest company.	(27,189)	15,591	11,578	0	0	0
15	D ² = Disparity after Steps 1 and 2	$(Ln 5 - Ln 12 - Ln 14) / Ln 4 =$	-29.02%	8.00%	8.00%	8.00%	-2.44%
Step 3							
16	Remaining (payments), if any, become the receipts of the three companies equally as a percent deviation up to the level of the distribution of the remaining (payments) or until the disparity of these three companies matches the disparity of the fourth highest company.	(222,548)	104,512	77,459	40,577	0	0
17	D ³ = Disparity after Steps 1, 2 and 3	$(Ln 5 - Ln 12 - Ln 14 - Ln 16) / Ln 4 =$	-11.00%	3.45%	3.45%	3.45%	-2.44%
Step 4							
18	Remaining (payments), if any, become the receipts of the four companies equally as a percent deviation up to the level of the distribution of the remaining (payments) or until the disparity of the four companies matches.	0	0	0	0	0	0
19	D ⁴ = Final Disparity	$(Ln 5 - Ln 12 - Ln 14 - Ln 16 - Ln 18) / Ln 4 =$	-11.00%	3.45%	3.45%	3.45%	-2.44%
Step 5							
20	Annual Rough Production Cost Equalization	$Ln 12 + Ln 14 + Ln 16 + Ln 18 =$	0	(251,731)	120,103	91,051	40,577
21							



ARK. REG. DIV.
PUBLIC UTILITIES
LITTLE ROCK, AR 72203

JUN 28 9 38 AM '07

Entergy Arkansas, Inc.
425 West Capital Avenue
P.O. Box 551
Little Rock, AR 72203-0551
Tel 501 377 4457
Fax 501 377 4415

June 28, 2007

FILED

Steven K. Strickland
Vice President
Regulatory Affairs

Ms. Diana Wilson, Secretary
Arkansas Public Service Commission
P. O. Box 400
1000 Center Street
Little Rock, AR 72203

Re: Docket No. 06-101-U
In the Matter of the Application of Entergy Arkansas, Inc.
For Approval of Changes in Rates for Retail Electric Service

Dear Ms. Wilson:

Please find attached for filing with the Arkansas Public Service Commission (APSC or the Commission), the original and 13 copies of a revised compliance Rate Schedule No. 48, Production Cost Allocation Rider (Rider PCA). The revised compliance Rider PCA results from (1) review of APSC Staff witness Regina Butler's Compliance Testimony filed on June 27, 2007, wherein she recommends a change to Section 48.6, and (2) subsequent discussions between Entergy Arkansas, Inc. (EAI or the Company) and the APSC Staff concerning those revisions.

EAI and Staff at this time seek Commission approval of the revised compliance Rider PCA including revised Section 48.6 attached to expedite approval of Rider PCA and PCA Rates for billing effective with the first billing cycle in July 2007. Expedited approval avoids incurring carrying charges and their impact on customers. However, EAI and Staff reserve their rights in respective petitions for rehearing and/or for clarification to propose alternative language for Section 48.6 based upon their respective positions. Both EAI and Staff recognize that Order No. 10 in this docket did not expressly prescribe the language for Section 48.6.

The PCA Rates filed in Attachment A and B on June 22, 2007 will not be affected due to this revised language.

Thank you for your assistance in this matter. If you have any questions or need anything additional concerning this filing, please call me at (501) 377-4457 or Mr. Will Morgan at (501) 377-5489.

Sincerely,

Steven K. Strickland

cc: All parties of record w/ Attachment

ENTERGY ARKANSAS, INC.
PRODUCTION COST ALLOCATION RIDER (PCA)
RATE SCHEDULE NO. 48
CLEAN VERSION – FOR APPROVAL

JUN 28 9 38 AM '07

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 48.1 Schedule Sheet 1 of 6
 Including Attachments

Replacing: Sheet No.

FILED

Entergy Arkansas, Inc.
 Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-101-U

Order No.: _____

Part III. Rate Schedule No. 48

Effective: 6/29/07

Title: **Production Cost Allocation Rider (PCA)**

PSC File Mark Only

48.0 PRODUCTION COST ALLOCATION RIDER

(NR)

48.1 REGULATORY AUTHORITY

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee Legislature in areas of the State of Tennessee served by EAI.

48.2 PURPOSE

The purpose of this Production Cost Allocation Rider ("Rider PCA") is to recover, from EAI's retail customers, the retail allocation of the Company's annual payments/receipts ("FERC Allocation") to/from the other Entergy Operating Companies¹ as directed in Docket No. EL01-88-001, Opinion Nos. 480 and 480-A, and any subsequent modification thereof ("FERC Decision"), excluding any refunds that the Federal Energy Regulatory Commission may possibly order to be paid by EAI to the other Entergy Operating Companies in Docket No. EL01-88-000. Rider PCA shall recover from retail customers any payments made or return to retail customers any receipts received pursuant to the FERC Allocation unless and to the extent those payments or receipts are expressly reflected in base rates or another EAI retail rider. Rider PCA shall apply in accordance with the provisions of § 48.3 below to electric service billed under certain rate schedules, whether metered or unmetered.

48.3 PRODUCTION COST ALLOCATION RATES

The Production Cost Allocation rates ("PCA Rates") shall be set forth in Attachment A to this Rider PCA.

48.4 ANNUAL DETERMINATION

On or about June 21, 2007 and thereafter on or about June 1 each year, beginning in 2008, the Company shall file PCA Rates with the Commission. The PCA Rates, as set out in Attachment A, shall be determined by application of the formula ("PCA Rate Formula") set out in Attachment B and Attachment C to this Rider PCA. The PCA Rates so determined shall be effective for bills

¹ The Entergy Operating Companies are Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, LLC (formerly Entergy Louisiana, Inc.), Entergy Mississippi, Inc., and Entergy New Orleans, Inc.

JUN 20 9 38 AM '07

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 48.2 Schedule Sheet 2 of 6
Including Attachments

Replacing: Sheet No.

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No. 48

Title: Production Cost Allocation Rider (PCA)

Docket No.: 06-101-U
Order No.:
Effective: 6/29/07

PSC File Mark Only

FILED

rendered on and after the first billing cycle for July of the filing year and shall remain in effect until updated. Each such set of PCA Rates shall be filed in the proper underlying docket and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the redetermined PCA Rates.

(NR)

Redetermined PCA rates shall reflect the retail allocation of any payments or receipts relating to the FERC Allocation together with a true-up adjustment reflecting the over- or under-recovery of the twelve month period ending the last day of the preceding February. Any over- or under-recovery balance for each rate class will be decreased or increased by monthly carrying charges based on the interest rate ordered by the Commission to be paid on utility service customer deposits by the Company. The cumulative over- or under-recovery for each rate class as of the last day of the preceding February shall be subtracted from or added to the rider level for the corresponding rate class in the annual Redetermination.

48.5 INTERIM ADJUSTMENT

Should a cumulative over-recovery or under-recovery balance arise which exceeds 55 percent of the APSC jurisdictional portion of the annual FERC Allocation included in the most recently filed rate redetermination under this Rider PCA, then either the APSC General Staff or the Company may propose an interim revision to the then currently effective PCA Rates.

48.6 TERM

This Rider PCA shall end on December 31, 2008, unless expressly authorized by the Commission to be continued beyond December 31, 2008.

When this Rider PCA expires or is terminated by a future order of the Commission, the PCA Rates shall continue in effect until such costs are reflected for recovery under another mechanism or until the implementation of new base rates reflecting such costs.

JUN 28 9 38 AM '07

Docket No.: 06-101-U
 Order No.:
 Effective: 6/29/07

FILED

Attachment A to
 Rate Schedule No. 48
 Page 1 of 1

Rider PCA Rates

(NR)

The Net Monthly Rates set forth in EAI's schedules identified below will be adjusted by the following Rate Adjustment amounts:

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Rate Adjustment</u>
Residential	RS, RT	\$x.xxxx per kWh
Small General Service	SGS, GFS, L2, MP, AP, CGS, CTV, SMWHR	\$x.xxxx per kWh
Large General Service	LGS, LPS, GST PST, SSR	\$x.xxxx per kWh
Lighting	L1, L1SH, L4	\$x.xxxx per kWh

JUN 28 9 38 AM '07

Docket No.: 06-101-U
Order No.:
Effective: 6/29/07

FILED

Attachment B to
Rate Schedule No. 48
Page 1 of 1

Rider PCA Rate Calculation

(NR)

Rate Class	RFAL By Class ¹	Class kWh ²	Rate Adjustments ³
Residential	\$		\$x.xxxx per kWh
Small General Service	\$		\$x.xxxx per kWh
Large General Service	\$		\$x.xxxx per kWh
Lighting	\$		\$x.xxxx per kWh
Total	\$		

Notes:

- (1) FERC Allocation Level (RFAL) for each rate class from Attachment C
- (2) Class projected billed kWh for the 12 month period beginning with the first billing cycle of July of the filing year
- (3) (RFAL By Class) / Class kWh

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FILED

Docket No.: 06-101-U
Order No.: _____
Effective: 6/29/07

Attachment C to
Rate Schedule No. 48
Page 1 of 2

PRODUCTION COST ALLOCATION RATE FORMULA

(NR)

$RFAL_i$ = FERC ALLOCATION LEVEL FOR RATE CLASS i

$RFAL_i$ = $[(AFA * EAF_{ai}) + TUA_i] * (1 + RCF_i)$

WHERE,

AFA = ANNUAL FERC ALLOCATION PAYMENT/RECEIPT (1)

EAF_{ai} = RETAIL ENERGY ALLOCATION FACTOR FOR RATE CLASS i FOR THE PRODUCTION COST ALLOCATION PERIOD ADJUSTED FOR KNOWN AND MATERIAL CUSTOMER CHANGES (2) (3)

RCF_i = REVENUE CONVERSION FACTOR FOR RATE CLASS i (4)

TUA_i = TRUE-UP ADJUSTMENT FOR RATE CLASS i FOR THE PRODUCTION COST ALLOCATION PERIOD INCLUDING CARRYING CHARGES

$TUA_i = \sum_{j=1}^{12} [(FA_j * EAF_{bi}) - ((PCAR_{ij} / (1 + RCF_i)) - PTU_{ij})] * (1 + CCR * ((22 - j) / 12))$ (6)

WHERE,

FA_j = FERC ALLOCATION FOR MONTH j OF THE PRODUCTION COST ALLOCATION PERIOD

EAF_{bi} = UNADJUSTED RETAIL ENERGY ALLOCATION FACTOR FOR RATE CLASS i FOR THE PRODUCTION COST ALLOCATION PERIOD (7)

$PCAR_{ij}$ = REVENUE UNDER RIDER PCA FOR RATE CLASS i IN MONTH j OF THE PRODUCTION COST ALLOCATION PERIOD PLUS AN IMPUTED LEVEL OF REVENUES FOR SALES UNDER SPECIAL RATE CONTRACTS WHERE THE PRODUCTION COST ALLOCATION IS NOT SEPARATELY BILLED

RCF_i = REVENUE CONVERSION FACTOR FOR RATE CLASS i (4)

PTU_{ij} = PRIOR PERIOD TRUE-UP ADJUSTMENT APPLICABLE FOR RATE CLASS i FOR MONTH j OF THE PRODUCTION COST ALLOCATION PERIOD

CCR = CARRYING CHARGE RATE (5)

JUN 28 1 55 PM '07

ARKANSAS PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE APPLICATION OF)
 ENTERGY ARKANSAS, INC. FOR APPROVAL)
 OF CHANGES IN RATES FOR RETAIL)
 ELECTRIC SERVICE)

DOCKET NO. 06-101-U
 ORDER NO. 12

ORDER

On June 22, 2007, Entergy Arkansas, Inc. ("EAI") filed in this Docket its compliance Rate Schedule No. 48, Production Cost Allocation Rider ("Rider PCA") pursuant to the provisions of Order No. 10 issued in this Docket on June 15, 2007. EAI requests that Rider PCA be approved for "bills rendered on and after the first billing cycle of July 2007." EAI also indicated that additional base rate compliance tariffs would be filed later.¹

On June 27, 2007, Arkansas Public Service Commission General Staff ("Staff") witness Regina Butler filed Compliance Testimony in response to EAI's proposed Rider PCA. Ms. Butler testifies that the "tariff language appears to comply with Order No. 10, with the exception of 'Section 48.6. Term.'" As proposed by EAI, Section 48.6. reads as follows:

This Rider PCA shall expire December 31 2008, unless expressly authorized by the Commission to be continued beyond that date or unless terminated in accordance with applicable regulations or laws.

When this Rider PCA expires or is terminated by a future order of the Commission, the PCA Rates shall continue in effect until such costs are reflected for recovery under another mechanism or until the implementation of new base rates reflecting such costs.

¹ Such base rate compliance tariffs were filed on June 26, 2007. Said tariffs are not the subject of the instant Order.

If the Company is no longer allocated FERC Allocation payments or receipts, any under-recovery at the end of the last month that FERC Allocation payments or receipts are recorded ("End Month") will be recovered from current customers over six months beginning with the first billing cycle of the second month following the End Month. In the event of an over-recovery at the End Month, the balance will be returned to customers over one month beginning with the first billing cycle in the second month following the End Month. Any over- or under-recovery balance will be subject to carrying charges calculated under the method described in Attachment C adjusted to reflect the shorter recovery or return period.

Ms. Butler, testifying as follows, recommends that proposed Section 48.6 be revised:

Order No. 10 approved the PCA Rider 'for a limited-time trial period to end on December 31, 2008, unless expressly authorized by the Commission to be continued beyond December 31, 2008, and subject to the development and implementation of an annual earnings review process ("AER") for the Company.' (Order No. 10 at 128). The Order further stated, 'Prior to the sunset of the PCA and the ECR on December 31, 2008, the Commission will consider whether such riders should be allowed to continue for calendar year 2009.' (Order No. 10 at 129). The language of the proposed tariff which addresses what may happen upon termination of the tariff is not consistent with this provision of the Order which calls for the Commission to reconsider the tariff.

Therefore, Ms. Butler recommends that proposed Section 48.6 be deleted and replaced with the following language:

This Rider PCA shall end on December 31, 2008, unless expressly authorized by the Commission to be continued beyond December 31, 2008.

Regarding the effective date for implementation of Rider PCA, Ms. Butler testifies that "... Staff does not object to the implementation of the PCA Rider rates as EAI requests. Although such a 'piecemeal' approach is outside the normal course, payment of carrying charges by ratepayers provides sufficient justification for immediate implementation of the rates in this instance."

On June 28, 2007, EAI filed a revised Rider PCA in response to the Compliance Testimony of Staff witness Butler. In this revised Rider PCA, Section 48.6. has been amended to read as follows:

This Rider PCA shall end on December 31, 2008, unless expressly authorized by the Commission to be continued beyond December 31, 2008.

When this Rider PCA expires or is terminated by a future order of the Commission, the PCA Rates shall continue in effect until such costs are reflected for recovery under another mechanism or until the implementation of new base rates reflecting such costs.

EAI, addressing its compromise with Staff regarding Section 48.6., further states in its transmittal letter as follows:

EAI and Staff at this time seek Commission approval of the revised compliance Rider PCA including revised Section 48.6 attached to expedite approval of Rider PCA and PCA Rates for billing effective with the first billing cycle in July 2007. Expedited approval avoids incurring carrying charges and their impact on customers. However, EAI and Staff reserve their rights in respective petitions for rehearing and/or for clarification to propose alternative language for Section 48.6 based upon their respective positions. Both EAI and Staff recognize that Order No. 10 in this docket did not expressly prescribe the language for Section 48.6.

Accordingly, having reviewed Rider PCA as filed on June 28, 2007, and based upon the testimony of Staff witness Butler and upon the compromised language of Section 48.6., the Commission hereby approves Rider PCA, as filed on June 28, 2007, effective for all bills rendered on and after the first billing cycle of July 2007, subject to EAI's and the Staff's reservation of rights regarding Section 48.6. as stated in EAI's June 28, 2007, transmittal letter.²

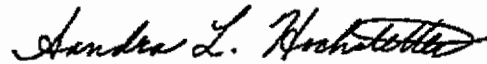
² On June 28, 2007, the Arkansas Electric Energy Consumers ("AEEC"), a party to this Docket, filed a Motion seeking "adequate time" to review EAI's compliance tariffs including Rider PCA. Although the Commission herein approves implementation of Rider PCA, as amended on July 28, 2007, in order to avoid the incurrence of carrying charges and their impact on customers, the Commission extends to AEEC

BY ORDER OF THE COMMISSION.

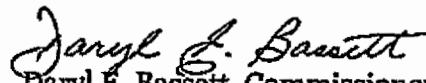
This 28th day of June, 2007.



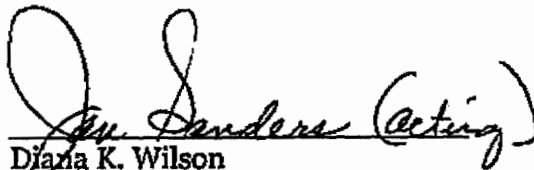
Paul Suskie, Chairman



Sandra L. Hochstetter, Commissioner

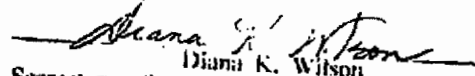


Daryl E. Bassett, Commissioner



Diana K. Wilson
Secretary of the Commission

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.



Diana K. Wilson
Secretary of the Commission

Date 6-28-07 JS

the same reservation of rights as granted to EAI and Staff regarding Section 48.6. Further, AEEC may timely submit additional comments regarding the compliance tariffs of EAI, including Rider PCA, and/or file appropriate motions for clarification or rehearing as provided by law.

JUL 26 4 03 PM '07

ARKANSAS PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE APPLICATION OF)
ENTERGY ARKANSAS, INC. FOR APPROVAL)
OF CHANGES IN RATES FOR RETAIL)
ELECTRIC SERVICE)

DOCKET NO. 06-101-U
ORDER NO. 14

ORDER

On June 26, 2007, Entergy Arkansas, Inc. ("EAI") filed Compliance Tariffs in response to Order No. 10. On July 24, 2007, the General Staff of the Commission ("Staff") filed the Compliance Testimony of Staff witnesses Adrienne R. W. Bradley and Regina Butler in response to EAI's Compliance Tariffs.

Witness Bradley, testifying regarding EAI's Compliance Cost of Service Study ("COS"), testified that the COS "properly reflect[s] the Commission's directive in Order No. 10 ... regarding the level of on-going expenses, rate base, rate of return, pro forma billing determinants, and cost classification and allocation ... [and] a Retail revenue excess of approximately \$5.13 million for a total retail base rate revenue requirement of approximately \$918.7 million."

If the COS is approved as filed, Witness Bradley points out that the resulting retail customer class base rate revenue impacts would be a 6.12% decrease for the Residential Class, a 2.03% increase for the SGS class, a 5.89% increase for the LGS Class, and a 16.91% increase for the Lighting Class, with an overall Arkansas Retail net decrease of 0.56%. After factoring in non-base rate¹ charges the retail customer class impacts would be a 9.81% decrease for the Residential Class, a 5.82% decrease for the

¹ EAI's non-base rate charges include: fuel charges, Grand Gulf related costs, Entergy System Agreement production Cost Payments (FERC payments), and nuclear decommissioning costs.

SGS Class, a 7.05% decrease for the LGS Class, and a 7.57% increase for the Lighting Class, with an overall Arkansas Retail decrease of 7.73%.

"In order to reduce the customer impact variations between classes," Witness Bradley "recommend[s] that the Residential base rate decrease be limited to the Retail base rate decrease of approximately \$5.13 million and that the SGS, LGS, and Lighting base rates remain at current levels." Witness Bradley's proposed revised allocation would produce a 6.74% decrease for the Residential Class, a 7.0% decrease for the SGS Class, a 9.73% decrease for the LGS Class, and a 4.0% decrease for the Lighting Class.

Witness Butler testified that, "[w]ith the exception of the Energy Cost Recovery Rider (ECR Rider), the tariffs are materially consistent with the requirements of Commission Order No. 10." She recommends that EAI's proffered Section 38.5 be rejected and replaced with her recommended alternative language. Witness Butler also recommended other changes be made to the tariffs as filed. In conclusion Witness Butler recommended that EAI's June 26, 2007 Compliance Tariffs be suspended and that EAI be directed to file revised tariffs reflecting the changes recommended in her testimony and in the testimony of Witness Bradley.

Unless suspended within thirty (30) days of filing, EAI's June 26, 2007 tariffs will become effective by operation of law. Therefore, in order to provide the other parties to this Docket with the opportunity to respond to the Compliance Testimonies of Staff witnesses Bradley and Butler, it is necessary to suspend said tariffs.

Accordingly, pursuant to the provisions of Ark. Code Ann. § 23-4-407 EAI's June 26, 2007 tariffs are suspended pending further investigation and review. Any party wishing to file comments and/or testimony in reply to the Compliance Testimonies of

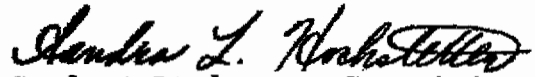
Staff witnesses Bradley and Butler shall do so by 2:00 p.m. on August 3, 2007. Further, at the same time, EAI shall file revised tariffs reflecting the changes recommended by Staff witnesses Bradley and Butler in their Compliance Testimonies. If necessary a hearing will be set by subsequent order.

BY ORDER OF THE COMMISSION.

This 26th day of July, 2007.



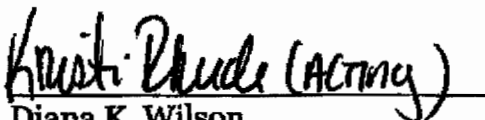
Paul Suskie, Chairman



Sandra L. Hochstetter, Commissioner

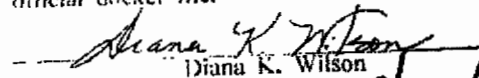


Daryl Bassett, Commissioner



Diana K. Wilson
Secretary of the Commission

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.



Diana K. Wilson

Secretary of the Commission

Date

7/26/07

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ARKANSAS PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE APPLICATION OF)
ENTERGY ARKANSAS, INC. FOR APPROVAL)
OF CHANGES IN RATES FOR RETAIL)
ELECTRIC SERVICE)

DOCKET NO. 06-101-U
ORDER NO. 16

ORDER

On August 15, 2006, Entergy Arkansas, Inc. ("EAI" or the "Company") filed in this Docket its Application seeking an increase in the rates it charges its Arkansas retail electric customers. As later amended, EAI sought a retail revenue requirement increase of \$106,534,000 or approximately 11.79% above its current authorized retail revenue requirement. An evidentiary hearing on EAI's rate increase Application was conducted before the Arkansas Public Service Commission (the "Commission") beginning on April 25, 2007, and concluding on May 4, 2007.

Order No. 9 of this Docket, issued on May 4, 2007, authorized the filing of limited post-hearing briefs by the official parties subject to certain conditions.

The Commission's final rate order in the above-styled Docket, Order No. 10, was issued on June 15, 2007. Therein the Commission found EAI's retail rate revenues to be excessive by approximately \$5.67 million¹ and directed that retail rates be decreased by that amount effective as of June 15, 2007.

Errata Order No. 11, issued on June 19, 2007, corrected an error in Order No. 10 regarding the effective date of new tariffs to be filed in compliance with Order No. 10.

By Order No. 12, issued on June 28, 2007, the Commission approved EAI's compliance Rate Schedule No. 48, *Production Cost Allocation Rider* ("Rider PCA") as filed on June 28, 2007, subject to certain reservations of rights by EAI and the General

¹ Subsequently recalculated by the General Staff to be approximately \$5.13 million.

Staff of the Arkansas Public Service Commission ("Staff") regarding Section 48.6 of Rider PCA. Rider PCA was approved effective for all customer bills rendered by EAI on and after the first billing cycle of July, 2007.

On July 13, 2007, EAI filed the *Petition for Rehearing of Entergy Arkansas, Inc.* (EAI's "Petition") pursuant to Ark. Code Ann. § 23-2-422 seeking rehearing of Orders No. 9, 10, 11 and 12. Attached to EAI's Petition were the *Initial Rehearing Testimonies* of EAI witnesses Hugh T. McDonald, J. David Wright, Gordon D. Meyer, and Greg J. Grillo.

On July 15, 2007, the Arkansas Electric Energy Consumers ("AEEC") filed the *Arkansas Electric Energy Consumers' Rehearing Application* (AEEC's "Application") pursuant to Ark. Code Ann. § 23-2-422 seeking rehearing of Orders No. 10 and 11.

The Staff filed the *General Staff's Response to EAI's Petition for Rehearing on Order Nos. 9, 10, 11 and 12* (Staff's "Response to EAI") on August 2, 2007. On the same date the Staff filed the *General Staff's Response to AEEC's rehearing Application on Order Nos. 10 and 11* (Staff's "Response to AEEC").

Also on August 2, 2007, the Attorney General of the State of Arkansas ("AG") filed the Arkansas Attorney General's Response to Entergy Arkansas, Inc.'s Application for Rehearing (AG's "Response to EAI") and the Arkansas Attorney General's Response to Arkansas Electric Energy Consumers, Inc.'s Application for Rehearing (AG's "Response to AEEC").

EAI, on August 9, 2007, filed the *Reply of Entergy Arkansas, Inc. to the Responses of the General Staff and Attorney General to Rehearing Petition* (EAI's "Reply").

EAI's Petition

Initial Rehearing Testimonies:

Attached to EAI's Petition were the *Initial Rehearing Testimonies* of EAI witnesses Hugh T. McDonald, J. David Wright, Gordon D. Meyer, and Greg J. Grillo.

Rule 3.16(b) of the *Arkansas Public Service Commission Rules of Practice and Procedure*, regarding the filing of additional rehearing evidence, provides as follows: "If any party applies for a rehearing based in whole or in part on additional evidence which was not a part of the original record, said party shall attach said evidence, if documentary, as an exhibit to the application." (emphasis added).

The Commission has reviewed the *Initial Rehearing Testimonies* of EAI and concludes that said testimonies are essentially little more than a rehash of the pre-filed evidentiary testimonies properly subjected to cross examination and testing during the evidentiary hearing. Further, the Commission could easily conclude that the *Initial Rehearing Testimonies* are more akin to a supplemental post-hearing brief in contravention of Commission Order No. 9. Further, if the Commission now were to rely on said testimonies in whole or in part without allowing the other parties the opportunity to file responsive testimony, those parties could certainly assert a violation of their due process rights.

Finally, at the end of the evidentiary hearing the official record was closed on all issues with one limited exception to allow EAI, post-hearing, to submit the exact amount of the Entergy System Agreement production costs payments imposed upon EAI and its ratepayers by the Federal Energy Regulatory Commission. That information was filed by EAI on May 30, 2007.

Therefore, the Commission will not accept the *Initial Rehearing Testimonies* of EAI as valid "additional evidence which was not a part of the original record" as

contemplated by Rule 3.16(b). Accordingly, the Commission does not rely on said testimonies for purposes of this order on rehearing.

EAI's Claims re Denial of Due Process:

EAI contends that its due process rights were abridged when the Commission questioned witnesses yet prohibited “the parties from following those questions with cross or redirect-examinations.” In its Petition, EAI contends that the Commission asked witnesses adverse to EAI questions about an issue which was not addressed by the parties in pre-filed testimony or listed in the pre-hearing Amended Issues list. EAI requests “rehearing of all issues resolved against EAI’s position about which the Commission questioned witnesses without affording EAI the opportunity to examine adverse witnesses, to offer rebuttal testimony, or to examine on redirect EAI’s witnesses.”

In the Petition for Rehearing, EAI also contends that it was denied due process when the Commission entered Order No. 9 restricting post hearing briefs to two issues and restricting the length of the post hearing briefs. As a remedy, EAI requests “rehearing of all issues resolved against EAI’s position on which EAI was not permitted to submit post-hearing briefs.”

In Staff’s Response to EAI’s Petition for Rehearing, Staff contends that EAI was not denied due process. Staff points out that EAI claims it was denied the opportunity to cross examine adverse witnesses, offer rebuttal testimony, or examine on redirect EAI’s witnesses after questions from the Commission. However, Staff states that during the hearing EAI only requested “an opportunity to recross” (T. 1393) and to “ask clarifying and follow-up questions limited to subjects touched upon by the Bench following questions by the Bench.” (T. 1396-97). Staff contends that EAI has waived its objection because EAI never requested the opportunity to offer rebuttal testimony during the hearing and only raised the issue in the Petition for Rehearing.

Staff also alleges that EAI's objection to the Commission's procedure of not allowing additional questions from the parties after the Commission has questioned a witness is untimely. Staff states that EAI omitted the fact that the Commission, through the Chief Administrative Law Judge, sent an email to all parties on April 20, 2007, outlining the hearing procedures and reminding all parties that "once cross-examination of a witness has been concluded by counsel and thereafter the Commissioners have begun their independent questioning of the witness, the opportunity for further questioning of the witness by counsel is foreclosed." EAI did not object to the procedure at the time the email was sent to the parties nor did EAI object to the procedure at the beginning of the hearing when the Chairman asked the parties if there were any motions or procedural matters to be addressed. Staff states that EAI only objected to the procedure on the third day of the hearing. Staff asserts that it would have been a denial of due process to all the other parties if the Commission had changed the established procedure in the middle of the hearing.

In its Response to EAI's Petition, the AG states that it is a longstanding practice of the Commission to disallow any party to cross-examine a witness after the witness has been questioned by the Commissioners. The AG states that it is difficult to see how EAI has been prejudiced by the practice. The AG points out that each witness questioned by a Commissioner testified at some later point in the hearing after questioning by the Commissioners and, therefore, EAI had ample opportunity to question these witnesses when they appeared on the stand at later points in the hearing.

Ratemaking is a legislative function. *Public Service Co. of Colorado v. Public Utilities Commission of State*, 26 P.3d 1198, 1206 (Colorado 2001). The APSC is a creature of the legislature which performs by delegation a legislative function. The APSC possesses the same powers as the General Assembly when exercising its legislatively delegated powers and has very broad discretion in exercising those powers.

City of Fort Smith v. Ark. Public Service Commission, 278 Ark. 521, 648 S.W.2d 40 (1983). The Commission acts in a legislative capacity and not a judicial capacity, therefore its orders are considered as having the same force and effect as would an enactment of the General Assembly. *Ark. Electric Energy Consumers v. Ark. Public Service Commission*, 35 Ark. App 47, 66, 813 S.W.2d 263, 274 (1991).

The Commission has broad power to regulate public utilities. Ark. Code Ann. §23-2-301. It is not bound by the strict technical rules of evidence and pleading but may exercise its discretion to adopt procedures which facilitate the Commission's efforts to ascertain the facts of the matters before it. Ark. Code Ann. §23-2-403. In a Commission hearing, the parties are entitled to be heard, to introduce evidence, and to examine and cross-examine witnesses. Ark. Code Ann. §23-2-415.

In this docket, the Commission followed its longstanding procedures for conducting a hearing and one of those procedures is that the Commissioners have the last opportunity to question witnesses. The parties were provided with the specific details of how the hearing would be conducted in an email sent to all parties by the Chief Administrative Law Judge on April 20, 2007. A copy of the email is attached hereto as Attachment 1. The parties were informed of the order in which appearances would be entered, when motions and procedural issues would be addressed, and the order in which the parties would cross-examine witnesses. The email and the amended email, attached hereto as Attachment 2 also informed the parties that once cross-examination was complete, the Commissioners could question witnesses. However, no party would be able to reopen the examination of a witness after questioning by the Commission.

There were seven parties to this docket and the parties filed direct, rebuttal and surrebuttal testimony prior to the hearing. Each party was given an opportunity to present evidence, and examine and cross examine witnesses. To manage the number of parties and complete its review of a rate case within the statutory time frame, it is

imperative that the Commission establish and follow a hearing procedure. *See* Ark. Code Ann. §23-4-407 and Ark. Code Ann. §23-4-411. A part of that hearing procedure is to have a conclusion to the questioning of a witness and not allow it to become a never ending process of cross and re-direct and re-cross and re-re-direct examination. The conclusion of questioning after all parties have had an opportunity for cross examination and/or re-direct examination, is questioning by the Commissioners if the Commissioners so desire.

As the presiding body, it is the Commission's responsibility to ensure that all parties to a docket receive a full and fair hearing and have an opportunity to be heard. To ensure that all parties receive a full and fair hearing, the Commission must have a procedure for an orderly hearing which allows all parties to present evidence, and examine and cross examine witnesses. "The commission must necessarily have a wide latitude of discretion in conducting and expediting the many hearings it must hold." *Ark. Pub. Serv. Comm'n v. Continental Tel. Co.*, 262 Ark. 821, 839, 561 S.W.2d 645, 655 (1978). The Commission informed all seven parties via email five days prior to the hearing of the hearing procedure, including the fact that the final questioning of a witness would be by the Commission and that no questions from the parties would be entertained after questions from the Commission. The Commission takes administrative notice of the fact that this has been the accepted standard operating hearing procedure for the Commission for well over two decades and perhaps for more than three decades. (T. 1396-97).

Although EAI knew that this was the procedure the Commission would follow before the hearing began, it decided the procedure was objectionable three days after the hearing began and only on rehearing determined that it had allegedly been denied due process.

The Commission cannot reopen questioning only for EAI without violating the due process rights of the other parties. Therefore, if the Commission allowed EAI to reopen questioning of one witness on day three of the hearing, fairness would have necessitated that all other parties be given the opportunity for re-cross and/or re-direct of each and every witness that had already testified, thus, prolonging the hearing process, disturbing the long-standing and established questioning procedures, and inhibiting questions from the Commission.

The Commission points out that EAI only objected to the Commission's long standing cross-examination procedure on the third day of the proceedings after the Commission's questioning of staff witness Walker. (T. 1393). After EAI's objection, Chairman Suskie gave all parties the opportunity to respond to EAI's attempt to alter the procedures. No party joined EAI in its attempt to change procedures. (T. 1394-95). Despite the Commission's decision to continue to follow its long established procedure, the Commission gave EAI an opportunity to rebut Walker's testimony when Chairman Suskie asked EAI witness Wright to respond to Walker's testimony which was the cause of EAI objection to the long standing procedure in the first place. (T. 1795).

The Commission asked questions of the witnesses of all the parties during the course of the hearing. In at least one instance, the Commission even asked EAI's witness to comment on answers given by a Staff witness. (T. 1795). It is the Commission's duty to question witnesses to ensure that the Commission understands the testimony, that it has all relevant information necessary to make an informed decision and that the record is comprehensive and complete. Unlike a trial judge, the Commission has an affirmative duty to develop the record and elicit the facts necessary to determine the interest of the public. C. Koch, *Administrative Law and Practice*, §5.25 (2d.ed. 1997).

In a complex rate case it is quite common for witnesses to pre-file testimony covering multiple issues and often for multiple witnesses to testify on the same issues. Therefore, to better organize the presentation of evidence during the hearing, the Commission, in keeping with its usual practice in rate cases, heard EAI's rate case on an issue-by-issue basis. In an issue-by-issue hearing process witnesses may testify and be subject to direct, cross and re-direct examination numerous times during the hearing. Therefore, due to the issue-by-issue hearing process, EAI had multiple opportunities to question witnesses, cross-examine and re-direct witnesses, both before and after questions by the Commission.

The fact that the result sought is not achieved is not tantamount to a denial of due process. *AEEC v. APSC*, 35 Ark. 47, 813 S.W.2d 263 (1991). EAI did not prevail on every issue in its rate case; no party did. That does not equate to a denial of due process. EAI was fully informed of the Commission hearing procedure prior to the hearing, EAI was allowed to conduct discovery, EAI was allowed to present evidence and testimony, and it was allowed to examine and cross examine witnesses. EAI was given a full and fair hearing on its rate case. Its due process rights were not violated by the Commission's hearing procedure and its request for rehearing on this issue is denied.

EAI also contends that the Commission's restriction of post-hearing briefs to two issues with page limitations violated EAI's due process rights. Neither EAI nor any party to this docket has a "right" to file a post-hearing brief. The authorization to file post-hearing briefs is within the sound discretion of the Commission. Counsel may request permission to file a brief. If the Commission finds that it is appropriate for a brief to be filed, the Commission will fix the time for filing. *Rule 3.14, Rules of Practice and Procedure*. In Order No. 9, the Commission found that it was appropriate to have

post-hearing briefs filed addressing only two issues. The Commission also limited the number of pages.²

At the conclusion of the hearing, EAI and all other parties to the docket were given an opportunity to address the appropriateness and need for post-hearing briefs and page limitations on post-hearing briefs if the Commission found briefs appropriate. In addition, EAI filed a prehearing Motion requesting that the Commission order post-hearing briefs. The Commission found that it was appropriate to have post-hearing briefs addressing two issues and placed a page limit on the briefs in keeping with the recommendation of most of the parties to the docket.

The authorization to file post-hearing briefs is solely within the discretion of the Commission. The Commission considered the matter of filing post-hearing briefs and found that post-hearing briefs on two issues would be appropriate. The Commission also considered the request that a page limit be imposed and found that a page limit would be appropriate. EAI had no right to file a post-hearing brief on any issue. Therefore, EAI was not denied due process because the Commission exercised its discretion to limit post-hearing briefs and its Petition for rehearing on the issue is denied.

Jurisdiction and Authority to Condition Riders PCA and ECR and the AER:

By Order No. 10, the Commission adopted Rider PCA for recovery of the costs of EAI's Federal Energy Regulatory Commission ("FERC") -imposed production cost bandwidth remedy payments to EAI's sister Entergy operating companies in Louisiana and Mississippi. Order No. 10 also adopted an Energy Cost Recovery Rider ("ECR") for recovery of fuel costs, in substantially the same form as requested by EAI. However, the Commission adopted those riders on a limited-time trial basis ending December 31, 2008, and subject to the development and implementation of an Annual Earnings

² The Commission notes that EAI did not file for rehearing of Order No. 9 within 30 days of the date it was entered.

Review ("AER"). The Commission stated that its continued approval of the riders would be "substantially influenced" by EAI's progress toward the development of a new Entergy System Agreement acceptable to the Commission and the continued effectiveness of EAI's December 19, 2005, Notice to Withdraw from the Entergy System Agreement. (See Commission Docket No. 04-023-U).

On rehearing, EAI complains that the Commission lacks substantial evidence, jurisdiction, and authority to impose these conditions on the continuance of those riders. EAI misapprehends the import of the Commission's Order. As noted in Order No. 10, there is no requirement under state or federal law that EAI be allowed to recover its FERC-imposed bandwidth payments or its fuel costs through riders. On rehearing, EAI does not dispute this point and does not cite to any legal authority that would require that *any* cost be recovered through riders. It would, therefore, be well within the Commission's discretion to refuse to adopt any riders and to require that those costs be recovered through base rates as are most other costs incurred by EAI in furtherance of its regulatory responsibility to provide electric service to its customers.

The Commission, however, exercised its discretion to conditionally allow recovery of the FERC-imposed bandwidth payments and fuel costs through riders—*i.e.*, EAI may enjoy cost recovery through these riders beyond December 31, 2008, *if* it is willing to accept the conditions the Commission determined to be necessary to ensure that rates are just and reasonable. If EAI finds these conditions to be unacceptable and, therefore, rejects use of the PCA, the ECR and the AER, the Commission can roll these costs into base rates along with most other costs. However, eliminating exact recovery riders such as the PCA and ECR could well lead to a conclusion from the financial markets and investors that such elimination unnecessarily increases EAI's financial risk. However, such action by EAI could be viewed by the parties to this rate case and/or by the parties to EAI's next rate case as imprudent.

A regulator's decision to condition an application on the utility's accepting certain conditions is hardly novel. This Commission often conditions its approval of applications on the company's agreement to accept certain conditions, such as conditioning merger approval on the utility's agreement to hold retail customers harmless from adverse consequences of the transaction. Similarly, the FERC often conditions applications subject to the utility's agreements to accept those conditions, as it did in approving Entergy's acquisition of Gulf States Utilities, now Entergy Gulf States. *Entergy Services, Inc.*, Opinion No. 385, 65 FERC ¶ 61,332 (1993), *reh'g granted in part and denied in part*, Opinion No. 385-A, 67 FERC ¶ 61,192, (1994), *petitions for review denied*, *AEEC v. FERC*, 290 F.3d 363 (D.C. Cir. 2002). The FERC has also conditioned acceptance of formula rates, such as the riders at issue here, on ratepayer protections such as an "equity reopener" which would allow refunds of certain over-recoveries in the absence of refund protection under Federal Power Act Section 206, 16 U.S.C. § 824e,³ *e.g.*, *Yankee Atomic Electric Co.*, 40 FERC ¶ 61,372, 62,219 (1987).

The Commission notes that EAI has already implemented these riders in the bills of its customers; such implementation could certainly be construed as implicit acceptance of the Commission's conditions for continuance of the riders beyond December 31, 2008. However, if EAI determines that it cannot accept the conditions for continuance of the riders beyond their initial term and chooses thereafter to pursue recovery through base rates, even though such choice would increase its risk of full recovery, then EAI should present a proposal for base rate cost recovery of the costs now flowing through the ECR and the PCA. Further, if EAI prefers the base rate approach to recovery of these costs, then there will be no need for the AER process.

³The FERC ceased this requirement following the 1988 passage of the Regulatory Fairness Act, which amended Section 206 to allow refunds in certain circumstances.

The Commissions finds that EAI's reliance on *Mississippi Power & Light Co. v. Mississippi*, 487 U.S. 354 (1988), *Nanthahala Power & Light Co. v. Thornburg*, 476 U.S. 953 (1986), and *Entergy Louisiana, Inc. v. Louisiana Public Service Commission*, 539 U.S. 39 (2003) is misplaced. Although those cases do hold that state regulators must give due effect to FERC-mandated cost allocations, they do not require that those costs be treated differently than any other just and reasonable costs. Nowhere in any of those decisions does the Court hold, or even hint, that automatic rate rider recovery is required. The Commission has not proposed, in either Order No. 10 or this Order, that EAI not recover its FERC-mandated costs; therefore there is no question as to whether any of its costs will be "trapped." Even EAI's own witness, Mr. Hugh McDonald, testified that base rate recovery of bandwidth payments was an acceptable means of recovery, albeit not EAI's preferred method. (T. 101). As long as the payments are recovered through an exact recovery rider, as conditioned, or through base rates, the filed-rate doctrine or the doctrine of federal preemption have not been violated.

EAI further argues that the Commission's conditions related to a new system agreement and the continued effectiveness of EAI's withdrawal from the current System Agreement are prohibited by federal law. Specifically, EAI argues that the Commission is prohibited from requiring EAI to make specific filings at the FERC. Again, in Order No. 10, the Commission did not require EAI to make a FERC filing or to take any other action. It simply put EAI on notice that, by recovering its bandwidth payments and fuel costs through exact recovery riders rather than through base rates, its compliance with the Commission's conditions will be given substantial consideration in whether those riders will continue beyond December 31, 2008.

EAI complains that there is no substantial evidence to support the conditions regarding the System Agreement. Again, EAI's arguments are misplaced. With respect to the condition regarding progress on the development of a new system agreement,

there is no dispute that a new agreement is necessary and desirable. EAI President Mr. McDonald has previously testified before this Commission that a new system agreement is needed and that Entergy personnel are currently working to produce a new agreement. Docket No. 04-023-U, EAI Ex. HTM-3 at 10-12, T. 31-34. Similarly, EAI complains that the Commission's consideration of EAI's continued effectiveness of its notice of withdrawal in deciding whether the riders will be continued is not supported by substantial evidence. However, EAI issued such notice voluntarily, in the absence of any Commission directive to do so. Presumably, it did so because such withdrawal is in its own and its ratepayers' best interest. Thus the conditions of which EAI now complains are merely requirements that EAI continue to take actions that EAI itself believes are necessary and appropriate.

Further, EAI's argument on this point would have the Commission ignore the near-continuous FERC litigation, and substantial payments by EAI customers, which its membership in the Entergy System Agreement has imposed on this Commission over the past twenty-five years and will continue to impose over the foreseeable future. Those include the dockets in which the current System Agreement was approved and EAI was assigned 36% of the costs of the Grand Gulf Nuclear Electric Generation Facility, Entergy's acquisition of Gulf States Utilities, *supra*, and numerous complaints filed by the Louisiana Public Service Commission in its continuing attempts to shift costs to Arkansas ratepayers. Further, there are currently three cases set for settlement proceedings and evidentiary hearings before the FERC, and the FERC has indicated its willingness to allow litigation as to the terms and circumstances under which EAI may exit the System Agreement. *Louisiana Public Service Commission v. Entergy Services, Inc. et al*, 119 FERC ¶ 61,224 (June 1, 2007). Moreover, there are currently two appeals of Entergy-related FERC orders pending at the United States Circuit Court of Appeals for the District of Columbia. This Commission has intervened in each of these

proceedings and vigorously litigated to protect Arkansas ratepayers from adverse FERC rulings. All of this litigation is ultimately funded by Entergy's ratepayers, including those of EAI. The Commission hereby takes administrative notice of these proceedings.

Finally, the record in this docket is replete with evidence of the very substantial FERC-imposed payments EAI will be required to make so long as it continues in the current System Agreement. That evidence alone would be sufficient for the Commission to condition the PCA and ECR riders on EAI's continued attempts to relieve its customers from the burdens imposed by its membership in the current System Agreement. It is the duty of this Commission to take all appropriate measures, including imposition of the conditions on continuance of the PCA, the ECR and the AER, to protect EAI's Arkansas ratepayers from further adverse financial impacts which could result from EAI's continued participation in the current Entergy System Agreement. EAI's ratepayers are already facing hundreds of millions of dollars of increased costs owing to EAI's participation in this agreement.

With respect to the adoption of the AER, there is no question that EAI, like any other utility, may under- or over-recover its costs through its fixed base rates. In Order No. 10 the Commission expressed its concern that the PCA and ECR riders might allow an over-recovery when base rate costs have declined. It thus had ample reason to condition its approval of those riders in order to ensure that rates are just and reasonable by providing ratepayers a remedy for any over-recovery. Moreover, the AER will also allow EAI to recover any under-recoveries during a year that base rate costs have increased. Again, the Commission's AER condition would ensure that rates are just and reasonable by remedying that under-recovery. Given that the AER would protect EAI's shareholders as well as its ratepayers, it is difficult to understand EAI's objection to its implementation.

Finally, EAI complains that the conditions adopted in Order No. 10 deprived it of due process because it had no notice that such conditions would be considered. In this regard, Entergy ignores the fact that these conditions actually give it a choice between continuation of the riders as conditioned or cost recovery in base rates. There can be no question that EAI had notice that the Commission can order recovery through base rates, as its own witness, Mr. McDonald, was the first to suggest that possibility. Thus if EAI believes that the conditions are unacceptable, it may pursue recovery through base rates rather than through the exact recovery riders as discussed above. EAI is in no position to accept the substantial benefits of exact recovery rate riders while complaining of the associated conditions. The Commission has an obligation to ensure that rates are just and reasonable, and the conditions it has imposed on continuation of the exact recovery riders are critical for the riders to be considered as just and reasonable.

Paragraph 48.6 of Rider PCA:

EAI argues that the termination and true-up provisions in Section 48.6 of Rider PCA must be consistent with the filed rate doctrine and federal law. (EAI Petition at 11-12). In particular, the Company argues that the first paragraph of Section 48.6 should read: "If this Rider PCA is terminated by order of the Commission, the retail portion of the FERC Allocation and any modification thereof shall continue to be reflected in retail rates until another mechanism is approved and effective to reflect such costs in retail rates." The Company also argues for inclusion of the third paragraph in its proposed Section 48.6 which provides for true-ups.

In her Compliance Testimony, Staff witness Regina Butler recommended that the only language in Section 48.6 be: "This Rider PCA shall end on December 31, 2008, unless expressly authorized by the Commission to be continued beyond December 31, 2008." (Compliance Testimony of Regina L. Butler at 4).

We agree with Staff on this matter since it is consistent with our reasoning on pp. 128-9 in Order No. 10 concerning the “sunset” provisions of Rider PCA. We have already addressed our authority for that in Order No. 10. We also agree with Staff’s argument:

In adopting the PCA and ECR Riders with exact cost recovery mechanisms, EAI was guaranteed exact cost recovery, not just an opportunity to recover the costs. (T. 3211). To balance that advantage, the Commission properly attached certain conditions to the Riders such as the sunset provision, adoption of an amended System Agreement, continued progress towards withdrawing from the current System Agreement, and implementation of an AER. ... [T]he Commission has the broad power to fashion remedies so as to balance the interests of the company and its ratepayers, which is just what the conditions did.

Staff Response to EAI at 29.

Effective Date of Annual Earnings Review:

The Company alleges that the Annual Earnings Review (“AER”) process required by Order No. 10 is arbitrary with regard to the effective date and the initial six-month period. Further, EAI alleges that it unlawfully contemplates retroactive ratemaking that could trap costs subject to FERC jurisdiction. (Petition at 12-15).

We reiterate this Commission’s authority to order and implement such an AER. Order No. 10 defined the Commission’s vision for the AER as being “*similar* to the Regulatory Earnings Review Tariff approved for the Company in Commission Docket No. 98-114-U.” (Order No. 10 at p. 129, emphasis added, footnote omitted). The Commission went on to say that in the development of the proposed AER, “the parties are not obligated to strictly duplicate the RERT process.” Obviously the Commission did not intend for the AER to “mirror” the RERT process. The Commission recognizes that its reference to the RERT process has apparently confused the parties regarding the intent of the AER process. The Commission also recognizes that the RERT process

focused on the capture of excess earnings. The AER process envisioned by the Commission in Order No. 10 is perhaps more dissimilar than similar to the RERT.

As previously stated by the Commission:

The AER should be designed to be fair and reasonable for both ratepayers and the Company and should comprehend prudently incurred substantial changes to the Company's financial circumstances occurring during the course of the review year, including but not limited to the acquisition by the Company of additional electric generation resources and associated plant as pre-authorized by the Commission. *Another objective* of the AER shall be to capture any excess earnings above the revenue requirement authorized herein and to credit such excess earnings to the benefit of ratepayers through the PCR. (Order No. 10 at p. 128, emphasis added).

To further clarify the Commission's intent with regard to the AER, the AER shall be designed to comprehend prudently incurred or experienced substantive changes to substantive inputs to the revenue requirement calculation regardless of whether the net affect is to decrease or increase retail rates. Such substantive changes may include, but are not limited to, the acquisition by the Company of additional electric generation resources and associated plant as pre-approved by the Commission, and extraordinary storm damage repair and restoration costs in any given year.

Further, by Order No. 15, issued on July 30, 2007, the Commission granted Staff's uncontested July 17, 2007, *Motion to Hold in Abeyance time for Filing Annual Earnings Review* thus delaying the deadline for the parties to develop and file a proposed AER tariff for the Commission's consideration. The proposed AER tariff and supporting testimony or comments is due within sixty (60) days of the date of this Order, i.e., by October 12, 2007. If the parties are unable to jointly develop and submit an agreed upon AER tariff, the Commission will establish an appropriate procedural schedule for consideration of the AER Tariff proposal(s) with the ultimate goal of implementing an AER tariff effective January 1, 2008. Thus, the due process rights of all parties will be protected.

The Commission also recognizes the inherent distortion of revenues and expenses associated with the use of an initial eighteen month AER period. Therefore, Order No. 10 is amended such that calendar year 2008 will be the first "cost" year for purposes of calculating any over-or under-earnings calculated as a result of the AER Tariff. It is intended that any such over or under-earnings will then be flowed back to EAI's ratepayers or to EAI, as the case may be, beginning early in calendar year 2009. The process would continue forward with calendar year 2009 being the next cost year.

Also, as suggested by the Staff in its Response to EAI's Petition for Rehearing (p.31), Rider PCA, or any subsequent Rider or process that provides for recovery of EAI's bandwidth payments, will be kept separate from the AER Tariff. Rider PCA should and will serve exclusively for the recovery of the FERC-imposed bandwidth payments.

We, also reiterate our condition that the continuation of Rider PCA and the AER process beyond December 31, 2008 will be substantially influenced by EAI's progress toward the development and approval of an amended System Agreement acceptable to the Commission and the continued effectiveness of the Company's December 19, 2005, Notice to Withdraw from the Entergy System Agreement. Consideration by the Commission of the possible discontinuance of Riders ECR, PCA and the AER at the end of the sunset period would, of course, not be unilateral but would allow for the due process input of the parties, including both the submission of filed testimony and an evidentiary hearing. Accordingly, the Company's, as well as all parties', constitutional due process rights will be protected.

Customer Deposit Interest Rate Used as Carrying Charge in Riders ECR and PCA:

EAI alleges that the usage of the Commission-determined customer deposit interest rate as the carrying charge for Riders ECR and PCA is arbitrary and

confiscatory. EAI argues that the appropriate carrying charge is EAI's approved rate of return on its rate base. (EAI Petition at 17-7). We disagree with EAI and refer to our discussion on Rider ECR in Order No. 10 (pp. 105-6). With regard to Rider PCA we note that the provision of Rider PCA is discretionary; that the true-up provision in the ECR eliminates the risk of EAI under-collecting; and that any need for application of the carrying charge is short-term in nature, since the true-up provision allows for surcharges to be immediately applied in the following twelve-month period.

Allowing carrying charges at a lower rate than requested by EAI is neither arbitrary nor confiscatory. The Commission could have required the Company to collect either of these cost items in base rates, with no carrying charge applicable. We reaffirm that the customer deposit interest rate is the appropriate carrying charge for both Riders ECR and PCA.

Quarterly DCF Method:

The Company alleges that the quarterly form of the Discounted Cash Flow ("DCF") method utilized by the Commission is erroneous and understates the cost of equity. (EAI Petition at 18). This form is given as $K = [D(1 + g/4)]/P + g$, where "D" represents current dividends, "P" is the current price of the common stock, "g" is the investor-expected annual growth rate, "g/4" is the investor-expected quarterly growth rate, and "K" is the required annual return on equity.

We disagree with the Company. The quarterly DCF formula is based on sound mathematics and accurately reflects the fact that dividends are paid quarterly, not annually. Staff provided mathematical justification for the quarterly form, as shown in Surrebuttal Exhibit DG-45. Additionally, this Commission has relied upon the quarterly DCF formula for twenty-five years, and the Company has not provided the Commission with any compelling reason to change. As Staff discussed in its Response to EAI's Petition, there is ample Commission precedent for the quarterly DCF formula (p. 6,

footnotes 10—11). The mathematical derivation of it is shown in APSC Docket No. 82-314-U, Prepared Exhibit KB-4 of Keith Berry. We can summarize that as follows. The current stock price, from the DCF method, is given as:

$$P = (D/4)/[K/4 - g/4]$$

Where “D/4” is the current quarterly dividend and “k/4” is the quarterly cost of equity.

This can be algebraically re-arranged as:

$$K/4 = [(D/4)(1 + g/4)]/P + g/4.$$

Multiplying both sides by 4 we obtain the quarterly DCF formula used here:

$$K = [D(1 + g/4)]/P + g.$$

The assumption reflected in the Company’s DCF analysis, shown in EAI Exhibit RAM-6, p. 2 of 2 and EAI Exhibit RAM-7, p. 2 of 3, is that dividends are paid only annually, which is simply not true. That erroneous assumption leads to the following DCF formula: $K = [D(1 + g)]/P + g$, which overstates the cost of equity, and the Commission addressed that overstatement in Order No. 10 at 16.

The Company also alleges that the quarterly DCF formula “is already served in significant part by Staff’s inclusion of dividends payable as a zero-cost item in the Company’s working capital.” (EAI Petition at 18). The Company is in error on this point. The purpose of the quarterly DCF formula is to properly represent the fact that dividends are paid quarterly. The purpose of inclusion of dividends payable as a zero-cost item is to reflect the fact that there is a lag between the point when dividends are declared and dividends are paid. The two ratemaking adjustments are entirely independent and address totally separate ratemaking issues.

Allowed Return on Equity:

The Company alleges that the allowed 9.9% return on equity authorized by Order No. 10 is one of the lowest allowed returns in the country and lacks evidentiary support in all respects. (Petition at 19). We disagree with using that comparison as a basis for

setting this Commission's allowed return on equity since there is an element of circularity involved if this Commission, as well as other Commissions, relies upon the rate of return determinations of other states for determining the appropriate allowed return for utilities in their states.

Second, as noted by Staff witness Donna Gray: "Second, the Company has offered none of the details of the factors influencing the decisions in other cases, much less suggested any applicability to the facts in this case for this Company. In particular, many cases involve negotiated stipulations or settlements with give and take among settling parties on a range of issues including cost of equity." (T. 867). We agree with Staff.

Third, the Edison Electric Institute reports the following average allowed electric utility returns for the four quarters of 2006: 10.38%, 10.39%, 10.06%, and 10.44%. (T. 867). These returns are consistent with Staff's return range and the return range we have used in this case.

Fourth, with regard to the Company's allegation that the 9.9% allowed return "lacks substantial evidentiary support in all respects" this Commission exhaustively considered all of the testimony and all of the exhibits concerning just the allowed return on equity as reflected at pp. 12-28 of Order No. 10. Based on that methodical evaluation of the evidence we concluded that the preponderance of the evidence supported an allowed return on equity of 9.9%.

Fifth, we note that the 9.9% allowed return on equity will allow EAI's benchmark bond ratings to be maintained based on a variety of financial ratios. (Order No. 10 at 32).

The Company also alleges that the Commission's decision to sunset Riders PCA and ECR increases EAI's risk and the choice of the carrying charge for those Riders increases EAI's risk. Therefore, the 9.9% allowed return on equity should be adjusted

upward to account for that additional risk. (Petition at 19-20). The Commission disagrees with that conclusion.

For the next sixteen months, through December 31, 2008, the Company's costs included in Riders ECR and PCA provide for exact recovery of those costs. As we noted in Order No. 10, over 40% of the Company's revenues are subject to adjustments outside the context of a general rate proceeding. (p. 33). That exact and timely recovery provides for a significant decrease in risk for EAI.

The Company has the opportunity to file for rate recovery of those costs incurred after December 31, 2008 and diminish significantly any alleged risk. Further, the Commission is confident that the parties can reach agreement on the Annual Earnings Review process that is discussed on pp. 126-9 of Order No. 10 and is discussed elsewhere in this Order, which process should eliminate any alleged risk as well.

Capital Structure:

The Company argues that the Commission's finding that the hypothetical capital structure utilized in Order No. 10 is optimal lacks substantial evidence to support that finding. While it is reasonable to infer that the hypothetical capital structure, based upon the capital structures of EAI-risk comparable companies, historical capital structures of EAI during the period 1996-2001, and capital structures of the other Entergy Operating Companies, is a template for "best practices", we agree that no party raised or discussed the issue that the hypothetical capital structure used was optimal. Consequently, we withdraw that finding. Nevertheless, we re-affirm our determination that the hypothetical structure adopted by Order No. 10 is appropriate for the reasons stated therein at pp. 34-5.

The Company also argues that, in order to be consistent with the underlying principles of a hypothetical capital structure, the risk-comparable sample's preferred

stock ratio should be used. (EAI Petition at 20). As discussed by Staff in its Reply Post-Hearing Brief, May 25, 2007, p. 12:

The preferred stock component was not the element of the capital structure for which EAI was departing from its long-standing practice and long-standing Commission approvals. In fact, Staff had identified that EAI's preferred stock level had never been less than 4% since 1996. The approved preferred stock proportion was basically at 4%, never below, in each of the annual earnings reviews for 1997-2001... The updated preferred stock amounts provided by the Company were included in Staff's recommendations. (Ex. 401-06). EAI's amount of preferred stock was not a component of the Company's drastic change or projected capital structures. That was not, however the case with the long-term debt and common equity components, with which the Staff did take exception and recommend a hypothetical other than the one proposed by the Company.

We agree with Staff's reasoning and affirm the preferred stock ratio as used in Order No. 10.

The Company also alleges that the adjustment of \$32 million from external sources of capital for EAI's lending to the Entergy Money Pool is confiscatory and not supported by substantial evidence. (EAI Petition at 21). As we explained in Order No. 10, "[i]t is unacceptable for EAI's ratepayers to pay the relatively high costs associated with \$32 million in outside capital in order to loan money to the other EOC at lower interest rates, and it is a direct subsidy of those other EOC's ratepayers by EAI ratepayers. This problem is particularly egregious at this particular time when EAI's ratepayers will be significantly subsidizing the other EOCs because of the FERC-mandated bandwidth remedy. Any additional subsidies from EAI to the other EOCs would only worsen a situation already unreasonable." (Order No. 10 at 37).

Dividends Payable:

The Company alleges that the computation of dividends payable should be based upon the dividend payment practice of EAI rather than Entergy Corporation. We disagree, and rely upon the Direct Testimony of Staff witness Donna Gray (T. 810) and

the Surrebuttal Testimony of Staff witness Larry Walker (T. 1311). Also, we refer to p. 38 of Opinion No. 10 for discussion of our reasoning on this point.

Unfunded Pension Liability:

EAI seeks rehearing of the Commission's decision to include Staff's recommended \$30.1 million credit balance in Unfunded Pension Liability as part of zero cost liabilities rather than the \$17 million debit balance it proposed.⁴ EAI claims that there is a "lack of substantial evidence supporting Staff's position" which was "exposed on cross-examination." (EAI Petition at 22). EAI also claims that the Commission adopted Staff's recommendation fully aware that EAI would suffer an immediate loss, and that the Commission made its finding by "relying upon the uncertain prospect of what amounts to 'over earnings' in subsequent years" to make up that loss. EAI states that, therefore, the Commission's determination in this matter is "plainly and simply confiscatory and unlawful...." (EAI Petition at 22).

The Commission finds no merit in the allegations of EAI on this issue. As discussed at length in its Order No. 10, the Commission based its finding on Mr. Walker's use of a standard and wholly appropriate method to set rates which rejects aberrant account balances and replaces them with the expected, representative or normal levels for those accounts. (T. 1307-1309). (Order No. 10 at 41-42). The Commission did not make its determination relying on any assumptions regarding future earnings shortfalls or earnings excess. Indeed, the Commission adopted Mr. Walker's proposed balance as representative for this account, reflecting closely EAI's most current five-year average of actual historical balances. (T. 1307-1309). (Order No. 10 at 42). Inherent in the use of historical averages, and reflected in Order No. 10, is the assumption that, over a period of time, on average, the level allowed in rates offers

⁴EAI proposes that this liability account reflect a \$17.396 million debit balance in working capital liabilities, using pro forma year average 13-month end balances, or, at the least, the pro forma year end debit balance of \$2.1 million. (T. 1307-1309, Motion at 22)

the utility the appropriate opportunity to recover its costs. Such rate treatment and its underlying assumption, is neither confiscatory nor unlawful and is a standard, long-adopted method of this Commission. The Commission, therefore, denies rehearing on this issue.

Storm Damage Reserve/Storm Damage Expense:

EAI asks for rehearing of the Commission's order that set the Storm Damage Reserve ("Storm Reserve") liability account to zero rather than adopt EAI's proffered debit balance of approximately \$26 million. EAI also requests rehearing of the Commission's approval of only the current, ongoing expected level⁵ of Storm Damage Expense ("Storm Expense") in the amount of \$14,449,000⁶ instead of its requested \$29,720,000⁷. (EAI Petition at 23). (Order No. 10 at 46-47).

In asking for rehearing on either Storm Reserve or Storm Expense, EAI asserts variously that: "(t)he Commission's disallowance of storm restoration costs is arbitrary"; provides "no substantive reason" for the disallowance of "prudently incurred costs"; these costs been consistently accounted for over the last 12 years using the reserve method; and, disallowance of these costs "forces" EAI to "adopt a budget-driven storm restoration policy" (which) is contrary to the public interest. EAI further asserts that it's rate treatment is neither retroactive ratemaking, given that the Commission has "accepted the reserve accounting method" in prior dockets, nor is it single issue ratemaking, noting EAI sought recovery within a fully developed rate case in which all costs are considered. (EAI Petition at 23-25).

⁵The Commission based its finding on Staff's recommendation.

⁶The amount of the current portion of Storm Damage Expense is not in dispute.

⁷That amount includes the \$14.4 million of expected current, \$9.854 million per year for 5 years to amortize the Storm Reserve's approximately \$50 million in prior period costs, and \$5.417 million to "build a reserve balance." (Order No. 10 at 43-44)

The Commission first addresses EAI's unfounded assertion that this Commission adopted or approved EAI's accumulation of prior period Storm Damage costs for future rate treatment and recovery. EAI bases its position on the Commission's "recognition" in its Order No. 10 of EAI witness Wright's testimony, in which he states that "in EAI's last rate case, Docket No. 96-360-U, the Commission accepted the reserve method and used the then-credit balances in that account as an increase in the [Current, Accrued and Other Liabilities]" (T. 561-C). (EAI Petition at 23). EAI concludes that the Commission, having noted Mr. Wright's statement, ignores this "undisputed" evidence in its Order, and states that "Order No. 10 ... fails to recite any evidence, or even an opinion, to rebut that the Commission accepted the reserve accounting method in (Docket No. 96-360-U) and in subsequent earnings reviews." (EAI Petition at 23).

EAI's conclusion is wrong. The Commission did not ignore Mr. Wright's statements. Rather, the Commission found that Mr. Wright provided no substantive evidence which supported his interpretation of the Commission's "acceptance" in either Docket No. 96-360-U or subsequent related tariff filings. Mr. Wright admitted that, under accepted accounting requirements, no debit balance would be included in the Storm Reserve. (T. at 1249). That admission belies EAI's assertions that the Reserve account is typically used as a running balance, with any over accrual or under accrual accumulated for later rate recovery. Mr. Wright then asserts that the balance was considered by EAI as a "regulatory asset" (T. at 1249) which can only be established upon direct, or according to Mr. Wright, indirect approval. (T. 1249, 1255). However, Mr. Wright provided no evidence of any Commission order which addressed, let alone approved, rate treatment and prospective recovery for these costs, either based on any particular accounting method or as a regulatory asset. And, in spite of the subsequent and recent dockets related to EAI's 2000-2001 "back to back 100-year storms" which directly dealt with these very costs, Mr. Wright submits no direct evidence that the

Commission made an exception to its standard treatment for this one expense; that the Commission had approved some form of irregular "Reserve Accounting" or that the Commission has allowed EAI to recognize these accumulated costs as a "regulatory asset". Irrespective of EAI's assertions to the contrary, neither the Commission's simple reference to the account's existence or the account's inclusion in a settlement (EAI Reply at 16-17) constitutes either explicit or implicit approval of the unusual and isolated rate treatment EAI now proposes.

The Commission directs EAI to Order No. 11 of Commission Docket No. 01-084-U which dealt with EAI's request for recovery of its Storm Damage Expense incurred as a result of the ice storms of 2000 and 2001 and which states:

During the rate case proceeding, a comprehensive review of the utility's costs is performed. The test-year expenses reported by the utility are examined and compared with previously incurred expenses to determine their reasonably expected, normal, ongoing level. This process of expense comparison and adjustment to reflect an 'average' is what is known as 'normalization'. Storm damage repair expenses are one such expense that is booked during the test year and thus 'normalized', or adjusted, to reflect what can reasonably be expected on a forward-looking or ongoing basis. Once normalized, ongoing expense levels are established, those amounts are included in the utility's authorized jurisdictional revenue requirement. Rates are subsequently designed to allow the utility a reasonable opportunity to recover its authorized revenue requirement on a going forward basis. Thus, in EAI's last general rate case proceeding, Docket No. 96-360-U, its test year storm damage expense was adjusted or normalized to reflect a reasonable allowable annual level of prospective storm damage expense based on historical weather data. Accordingly, EAI's existing rates contemplate only a normal level of storm damage expense. Once its rates were established in Docket No. 96-360-U, EAI bore the risk of incurring some storm damage expenses in excess of the normalized allowed level of annual storm damage expense, within a reasonable limit. (T. 1477-1478).

The Commission's intent with regard to its rate treatment of Storm Damage Expense in EAI's last rate case, Docket No. 96-360-U, is clear. Storm Damage Expense was "normalized", consistent with this Commission's long-standing policy and treatment of such costs. There is no "implied" approval of either some special "Reserve

Accounting Method” nor is there recognition of these so-called “unrecovered” costs as a regulatory asset.

The Commission’s reliance in the instant Docket on Staff’s proposed treatment for both the Storm Damage Reserve and the Storm Damage Expense reflects no “back-tracking on reserve accounting”, as asserted by EAI. (EAI Petition at 27). Rather, Staff’s recommendations and the Commission’s approval of “normalization” rate treatment for both Storm Damage Reserve and Storm Damage Expense reflects the very treatment most recently afforded EAI in its last general rate case in Docket No. 96-360-U.

EAI chose to accumulate Storm Damage costs as a debit balance to its Reserve account for some seven years and, in spite of the clear intent of the Commission reflected in its orders, EAI now argues that the Commission “cannot arbitrarily ignore the (Reserve’s) debit balance... (and) must provide for recovery of these previously incurred costs in excess of the amounts included in rates, the prudence of which was unchallenged in this or any proceeding.” (EAI Petition at 25).

First, the issue here is not prudence. Order No. 10 addresses EAI’s attempt to isolate and accumulate from year to year for eventual retroactive rate treatment, one single cost - Storm Damage cost. The Commission rejected that retroactive treatment in Order No. 10 and, in doing so, remained wholly consistent with its long-standing policy - a policy recently reiterated in one of EAI’s own proceedings dealing with these very costs. The Commission’s determination in Order No. 10 was consistent with previous decisions and should not have been unexpected.

EAI also asserts that its position on this cost treatment does not constitute “single-issue” rate making. EAI states that the Commission has “misapplied the doctrine” because the “reserve account is not an adjustment clause or other means of changing rates for a single cost...” and because its recovery “arises in a general rate case where all...costs are eligible for consideration and review...” (EAI Petition at 24). There

is no misapplication. In spite of its assertion that the “reserve account is not an adjustment clause”, within the same Petition EAI argues that Storm Damage costs are actually akin to fuel cost and should be considered and treated similarly (EAI Petition at 26). That “similar treatment” EAI requests mimics its automatic adjustment clause for fuel by isolating Storm Damage costs and ignoring any increases in revenues or decreases in other expenses over the seven years it accumulated those costs. As to the fact that the Commission is now considering Storm Damage cost within this rate case, which EAI advances as evidence there is no “single-issue” treatment, EAI addresses its argument to the wrong time period. EAI is not asking the Commission to measure only current Storm Damage costs in balance with all other current costs and revenues in this rate setting. Instead, EAI is asking for recognition of seven years’ accumulation of one isolated cost item, not made in concert with all the other items addressed in a rate case and ignoring any changes in other revenues and expenses during that same period⁸. That proposed treatment constitutes “single-issue” ratemaking.

The Commission’s approval of Staff’s recommended treatment, for both EAI’s Storm Damage Reserve account and its Storm Damage Expense, is, thus, fully supported by the record and consistent with its prior policy and recent application of that policy and which the Commission most recently reiterated in an EAI docket addressing these very Storm Damage costs.

⁸The Commission also finds Mr. McDonald’s testimony regarding Staff’s “review” of EAI operations during that same seven year period lends little support for approval of rate treatment on a “single-issue” basis or to allow retroactive recovery of Storm Damage costs. Mr. McDonald implies that these reviews either indicate no over-earnings or indicate EAI experienced under-earnings. (T. 1544-1546) EAI’s Petition asserts the data from these reviews shows some \$180,000,000 in “under-earnings”. (EAI Petition at 26) However, the financial data subject to review was not subject to either the vigorous scrutiny or adversarial process of a rate case. Barring that full scrutiny, with appropriate adjustments to historical data, no inference regarding EAI’s under- or, for that matter, over-earnings for those years can be drawn the data at hand. The argument, however, is academic. Trying to justify recovery of so-called “unrecovered Storm Damage costs” by conducting a full revenue requirement determination for each of the past seven years constitutes retroactive ratemaking in its most obvious form.

EAI asks within this Docket for the Commission to approve twice the actual \$14 million Storm Damage Expense⁹ it expects to incur per year to more than \$29 million per year. Absent approval of these expenses, EAI alleges that the Commission is forcing it to prospectively change its restoration policy to one which is “inconsistent with public health and safety and detrimental for economic activity for employees, businesses, and governments.” (EAI Petition at 28). Indeed, EAI “warns” the Commission that its decision to deny EAI the extra \$15 million it wants “sets a policy” directing EAI to “focus on the costs...more...than the time in which service is restored....” following a major storm. (EAI Petition at 27).

The Commission is surprised by EAI’s assertion that it will no longer attend to damage recovery in a timely manner and that it will put “public health” and “safety” and “economic activity” at risk if the Commission denies its request for an additional \$15 million per year. Mr. McDonald was directly and specifically questioned by Staff and by the Commission itself as to EAI’s commitment to prompt recovery efforts and safe and reliable service, irrespective of whether the Commission allowed EAI the excess revenue. (T. 196-199, 205-207). The Commission notes Mr. McDonald’s assurances that prompt storm recovery and safe and reliable service were his “number one priority.” Based upon Mr. McDonald’s sworn testimony, the Commission expects that EAI’s commitment to storm restoration will not “diminish”. (T. 198).

The \$14 million plus approved in Order No. 10 is based on the actual average Storm Damage expense EAI incurred over the last five years. EAI offers no evidence that its normal Storm Damage Expense levels are expected to be, on average, greater than that, and, in fact, does not dispute it. (T. at 1380-1388, 1470-1471). With regard to any

⁹The amount of expected, normal, annual Storm Damage Expense is \$14.449 million per year (T. 1471) and is not disputed by EAI (T. at 1380-1388, 1470-1471). EAI also requests, however, an additional \$9.854 for past Storm Damage Expense and \$5.417 to build up the Reserve (T. at 1475) for a total of \$15.27 million more per year.

extraordinary costs EAI may incur, there is, as EAI acknowledges, “ample regulatory precedent that extraordinary events, such as severe storm damage, represent a general exception to the rule against retroactive ratemaking.” (EAI Petition at 26-27, footnote omitted). In fact, this Commission, recognizing the exception, did provide EAI recovery of the extraordinary costs it incurred as a result of the “back to back hundred years storms” of 2000 and 2001. (T. 1478).

The Commission, therefore, finds that Order No. 10 provides EAI all the regulatory relief available to other utilities under this Commission’s jurisdiction and denies its request for rehearing on this matter. Also, note hereinabove the Commission’s inclusion within the AER process of extraordinary storm damage repair and restoration costs in any given year. Finally, the Commission expects EAI to operate in good faith to provide safe, reliable, and efficient utility service including the prompt restoration of service lost as a result of storms or other catastrophic events.

Transmission Reserves:

EAI seeks rehearing of the Commission’s inclusion of the Transmission Reserves Liability account as part of Current, Accrued and Other Liabilities in the capital structure. (EAI Petition at 28). EAI asserts that the Commission’s finding was based upon “a misunderstanding of the facts of the case” and that the balance in that account is a result of a nonrecurring expense eliminated by both Staff and EAI and, therefore, the liability balance should be eliminated also. (EAI Petition at 28).

There is no misunderstanding. The record indicates that “the original reserve (was) still on the books as of December 31, 2006”, reflecting the most current information available with regard to that account. (T. 1312). As noted in Order No. 10, “EAI provides no exhibit or other substantive evidence” (Order No. 10 at 10-11) to

indicate that this item is “nonrecurring” or that it is not appropriate to be included in the overall cost of capital¹⁰. The request for rehearing on this issue is, therefore, denied.

Blytheville Turbine Exclusion from Rate Base:

EAI seeks rehearing on its proposed rate treatment for what it characterizes as the “removal cost” associated with its Blytheville Turbine in 2001. (T. at 1428). (EAI Petition at 30). EAI seeks rate base treatment and a return on its \$18 million Blytheville expenditure, as well as approximately \$3.7 million in amortization¹¹. EAI contends that the rate base treatment it proposes in this Docket is consistent with that made in its 2001 Regulatory Earnings Review Tariff (“RERT”). (EAI Petition at 30). EAI also states that capitalization of this cost in the RERT was made in good faith, was not disputed by Staff, and was approved by the Commission in Order No. 18 in Docket 98-114-U and is therefore recoverable now. (EAI Petition at 30). The Commission found in Order No. 10 that the expenditure was not a capital item but an expense, appropriately recognized in the year incurred, which was 2001, and, therefore, should be excluded from prospective rates. (Order No. 10 at 52). Additionally the Commission found that it was EAI’s choice to capitalize the cost within its 2001 RERT and that neither Staff’s failure to object to that capitalization nor the Commission’s Order with regard to that RERT assured any future rate treatment of that cost. (T. 1442). (Order No. 10 at 52-53).

EAI seeks rehearing and contends that the Commission’s denial of rate treatment here is “arbitrary” and that both Staff and the Commission are “revers(ing) course....to prevent the Company from recovering these costs.” (EAI Petition at 30-31). Alternatively, EAI states that, should the Commission’s original decision stand, it now requests rate treatment of the item as a regulatory asset. (EAI Petition at 31).

¹⁰The cost of capital is based on the weighted cost of funds available to EAI on a total company basis, irrespective of funding source. (T. 807-808)

¹¹The amortization amount is based on an assumed five year period. (T. at 1480)

The Commission finds EAI's argument without merit. A review of the record indicates that it is absent of any evidence supporting EAI's "assumption" that it had received approval or assurance that it would be granted future rate treatment of this cost. EAI has failed to provide Commission orders or past testimony by either EAI or Staff that indicates any assured rate treatment of its Blytheville 2001 expenditure or that the Commission or Staff was aware of the nature of that expenditure. If EAI had hoped to assure itself of future recovery of this unusual and non-recurring cost, EAI should have petitioned the Commission for a ruling¹² in 2001, either in the context of its RERT or separately. EAI, however, chose not to do so until some six years later.

The Commission denies rehearing on this issue, having found that including this six-year old expense in current rates would constitute retroactive ratemaking.

The Commission also denies EAI's request to recognize this 2001 expense as a current regulatory asset and to receive the identical rate treatment it has already been denied. EAI complains that this is the first opportunity it has had to request special treatment of this expense. (T. 530). However, EAI had ample opportunity to ask for special rate treatment¹³ in the context of its RERT, or in conjunction with its other open dockets at that time¹⁴ and chose not to do so.

¹²The cost at issue is an expense that EAI has booked as a regulatory asset which, under accounting requirements, assumes regulatory approval must be obtained. EAI's witness Wright, in his discussion on Storm Reserve, testifies that such approval is required before recognition of a regulatory asset can be made for accounting purposes. (T. 1257) EAI argues that it assumed Commission "approval" in its 2001 RERT filing because the Commission did not explicitly "disapprove". The Commission, however, finds no evidence that EAI ever made the Commission aware of the expenditure within the context of that tariff filing.

¹³The Commission also notes that, even if this cost had been granted status as a regulatory asset in 2001, under EAI's requested five year amortization period, the entire \$18 million would likely have been fully amortized by the end of 2006, thus, not having any impact within the pro forma year and, thus, not included in rates in this case.

¹⁴EAI filed its RERT in Docket No. 98-114-U. At the same time its 2001 earnings review was taking place, it also had open two other dockets, Docket Nos. 01-084-U and 01-296-U, which became tied to that earnings review.

Coal Inventory Level:

EAI requests rehearing regarding the coal inventory level adopted by Order No. 10, as well as the Commission's finding that EAI's failure to maintain that level would be deemed imprudent and a violation of the Commission's order. (EAI Petition at 31-32, Order No. 10 at 57-58). EAI asserts that the Commission's order on the coal inventory level and its assumed prudence finding is arbitrary. EAI asserts that the record does not support a "static and absolute" coal inventory and argues that the Commission ignores witness Mohl's testimony that describes the flexible operation of Entergy's Coal Inventory Policy ("Inventory Policy") which set "targets" subject to change. EAI argues that Order No. 10 "transforms what should be a flexible target into an inviolable standard and prejudices as imprudent ... appropriate adjustments to the target...or hypothetical failure to meet the target for reasons now unknown, including those beyond EAI's control." (EAI Petition at 32).

EAI is incorrect. The Commission's finding was based on the evidence and representations made in this proceeding by EAI witnesses Wright and Mohl. Mr. Wright testified that the appropriate, expected on-going level for rate purposes should be the same as that reflected in EAI's currently approved Inventory Policy. Mr. Mohl further testified that the average operational inventory resulting from application of the Inventory Policy would be, on average, a 43-day full burn. (T. 549-550, 1019-1020). Mr. Wright recommended that, for rate purposes, the Commission should reject Staff's proposal to include only the known, historical, average inventory (T. 549-550) and should, instead, adopt the Inventory Policy's operational one. (T. 1306, 1329-330).

Under accepted ratemaking principles, the coal inventory required under Entergy's approved Inventory Policy should prudently mirror the actual expected level of investment in coal inventory. EAI's witnesses support, for rate purposes, the Inventory Policy's recommended level and, thereby represent that EAI will actually

maintain that level. Relying on that representation, the Commission found the proposed inventory level prudent and approved EAI's rate treatment. Furthermore, in relying on EAI's testimony, the Commission directed EAI to maintain that inventory level or risk being found to be in violation of Order No. 10 by operating imprudently. Should EAI need to "make any adjustments" or experience any "failure to meet the target for reasons now unknown, including those beyond EAI's control"; EAI may then seek Commission relief. Therefore, EAI's request regarding coal inventory is denied.

Stores Expense/Deferred Assets:

EAI seeks rehearing of the Commission's elimination of balances in Undistributed Stores Expense and Other Clearing Accounts through which costs are temporarily recognized. (EAI Petition at 33-34, Order at 59). EAI argues that these "accounts themselves are permanent and there are always amounts in them" and that the balances in these accounts were not eliminated in its last rate case, Docket No. 96-360-U, and, therefore, are properly included in rate base. EAI concludes that elimination of these accounts is "confiscatory". (EAI Petition at 33-34).

There is no confiscation by eliminating the balances in these accounts. That there is always a balance in these accounts on EAI's books is irrelevant to their treatment within the revenue requirement calculation at issue. As fully explained in the testimony of Staff witness Larry Walker and Order No. 10, the temporary costs in these accounts are already appropriately recognized in EAI's revenue requirement. That recognition is made via the pro forma debit adjustments to the appropriate expense or rate base account but for which the corresponding credits to these temporary accounts have yet to be posted to the books of EAI. Because the pro forma adjustments effectively assign the costs in these temporary accounts to the appropriate updated expense or rate base investment, to allow them again in rate base would allow recovery twice. (T. 510-511, 1304-1305, 1306, Order at 58-59).

EAI's assertion that Staff's treatment in EAI's last rate case, some ten-plus years earlier, was the same as EAI now requests, ignores more current evaluations of these accounts, more current findings by the Commission and, most importantly, the record developed in the instant Docket. The Commission denies rehearing on this issue.

Directors' and Officers' Liability Insurance:

EAI alleges the Commission's disallowance of one-half of the Directors' and Officers' Insurance ("D&O") costs has "no rationale basis" and its decision to do so is "arbitrary." (EAI Petition at 34-35). EAI argues that the Commission's rationale for its assignment of these costs to shareholders - that shareholders, not ratepayers, are the recipients of any D&O proceeds - is "the wrong inquiry upon which to determine recovery of insurance premiums in retail rates." (EAI Petition at 34). EAI argues that D&O, rather, "is a cost of doing business that the Company cannot avoid" is the same as other liability insurance allowed in revenue requirement, the proceeds of which are also not paid directly to ratepayers but which provides benefit by reducing the need for more costly self-insurance funding. Finally, EAI asserts that D&O enables the Company, for the benefit of ratepayers, to garner highly qualified individuals by offering appropriate protection for its directors and officers. (EAI Petition at 34-35).

The Commission agrees with Staff that EAI brings no "new or compelling reason" (Staff Response at 17) which would alter the Commission's long-standing recognition that D&O provides unique, direct benefits to shareholders which are not enjoyed by ratepayers and that D&O should, therefore, be shared. And, appropriately, that sharing of cost also recognizes the indirect benefits ratepayers enjoy with shareholders. But, contrary to EAI assertions, unlike other types of insurance which offset damages directly affecting ratepayer costs, D&O offsets flow only to shareholders and are not applied to mitigate any increased costs for which ratepayers are responsible. Having found no basis for EAI's request here, the Commission denies it.

Billing Determinants - Growth Adjustment/Increased Expenses:

EAI asks that the Commission rehear the issue of the growth of adjusted billing determinants, alleging that the determinants adopted reflect “projections of growth...that are not known and measurable” (EAI Petition at 35), having been based on “findings not supported by substantial evidence or are contrary to statutory standards.” (EAI Petition at 36).

As noted in Staff’s Response, EAI’s arguments proffered for reconsideration of the growth adjustment simply reiterate its testimony advancing its methodology over that employed by Staff. (Staff Response at 17). To the extent EAI alleges that the Commission’s findings do not reflect known and measurable changes and are not based on substantial evidence, EAI is mistaken.

Using the evidence presented, the Commission found that a growth factor, which captures the known and measurable historical growth trend for EAI, is more appropriate and meaningful than one which simply annualized the static customer level. The Commission has long accepted growth factors based on historical usage, when that method produced a more accurate level of expected billing determinants. The Commission has adopted other methods which, in the particular circumstances and based on the evidence at hand, were deemed more accurate in predicting expected revenue.

In Order No. 10, the Commission did not find EAI’s proposed method to be inappropriate. Rather, the Commission found that, in this case, under these circumstances, the Staff’s proposed method produced results which reflected a more accurate estimate. That finding was based on the evidence of Staff’s comparison of its calculated revenues, using its growth adjusted determinants, against those revenues EAI generates internally, using EAI’s own budgetary tool, the Adjusted Growth Margin report (“AGM”). The Commission found the favorable comparison of Staff’s

independently calculated revenues to those used internally by EAI compelling and represented substantial evidence that Staff's figure was more accurate than EAI's. (Order No. 10 at 83). (EAI Petition at 36). EAI's request for rehearing on billing determinants is, therefore, denied.

Additionally, EAI asserts that the Commission lacked substantial evidence when it rejected EAI's request for commensurate increases in production and operation and maintenance ("O&M") costs should the higher growth-adjusted billing determinants be used. (EAI Petition at 37-38). EAI also concludes that the Commission's finding upon which it rejected this request is "counter-intuitive and without any evidentiary support, (given that) ... EAI's revenue requirement was based upon (EAI's) figures and could not possibly have anticipated (Staff's) numbers and included their effect on costs." (EAI Petition at 38).

The Commission disagrees with the Company. The Commission recognized that all parties analyzed and constructed multiple components of revenue requirement and cost of service and presented them within the context of this proceeding. Most of the adjustments to the current expenses were discretely addressed, almost entirely separate from each other. In turn, revenues have been calculated in isolation. All components, however, have been appropriately updated, on an individual basis, to reflect currently available known and measurable levels, and there is no basis to adjust those expenses further. EAI's request for reconsideration of the Commission's finding on these costs is, therefore, denied.

Employee Incentive Bonuses:

EAI seeks rehearing of the Commission's disallowance of portions of employee incentive bonuses, asserting that the disallowance "has no rational basis" and that the Commission failed to base its findings on "substantial evidence." (EAI Petition at 39, 40). The Commission recognized three types of incentive bonuses, those tied to

operating performance, those tied to financial performance, and those tied to the stock price of Entergy, Inc. and made its disallowances based upon the extent¹⁵ to which each provided direct ratepayer benefits. (EAI Petition at 39). EAI argues “(t)hat (the degree these incentives benefit ratepayers) ... is irrelevant and irrational” and that “(t)here is no evidence than any of the incentives promote harm to ratepayers or are unreasonable” and should, therefore, be disallowed. (EAI Petition at 39). EAI asserts that “(a)bsent ... evidence that the particular incentives...operate imprudently or perversely, and there is none here, the only relevant ratemaking question is whether they are set higher than reasonably necessary to attract qualified individuals.” (EAI Petition at 39-40). According to EAI, “(t)he relevant question...is whether the employee is ... paid for performance unrelated to utility service, or is excessively rewarded compared to the market, or has a pay level that is abnormal for ratemaking purposes.” (EAI Petition at 40). EAI states that there is no evidence of excessive pay or that the compensation does not reflect ongoing costs. (EAI Petition at 40). Instead, EAI argues, it “must offer (all of these types of) ... incentive programs...to compete successfully in the market for employee talent” and that there is no substantial evidence to rebut that testimony. (EAI Petition at 39).

EAI’s ratemaking interpretation described above, in which it argues the Commission’s limited parameters in setting rates, is simply incorrect. The benefit to the ratepayer of any cost or any investment has been, and continues to be, the fundamental basis for consideration in determining rates, whether it is a utility’s investment in plant - from a nuclear power plant to a pickup truck - or a utility’s expenses - from concert tickets and alcohol to its incentive bonuses. None of these may necessarily “promote

¹⁵The Commission allowed all bonuses which were tied to operational performance, disallowed fifty percent which were tied to financial performance, and disallowed those tied only to the stock price of Entergy, Inc. (Order No. 10 at 67-69)

harm” to ratepayers or are necessarily “unreasonable”, but all of which must be measured by their benefit to ratepayers.

The Commission based its finding in Order No. 10 on the extensive record regarding the incentives EAI, (and Entergy, Inc. and its other affiliates) chooses to pay its executives, including that portion of the record which examined at length the benefits afforded ratepayers of each of the incentive programs and to what objective each of the incentives were tied. As stated previously, the Commission found that those incentives tied directly to utility operational goals provided direct and measurable benefits to ratepayers. (Order No. 10 at 68). The Commission also found that the incentives tied to financial goals would benefit both ratepayers and stockholders. (Order No. 10 at 68). Of note, however, is that the Commission found no evidence in the record, provided by EAI or any other party, of discernible, direct ratepayer benefit of incentives tied only to the stock price of Entergy, Inc. (Order No. 10 at 68-69).

EAI argues that it must compete for personnel in the market and meet the market's compensation requirements. (EAI Petition at 39). That the market dictates a certain level of compensation to attract candidates for management was not questioned by the Commission, nor was it needed for purposes of the Commission's finding. The Commission simply found no evidence to support EAI's contention that incentives tied directly to stock price - irrespective of their form - are required by the market, as it has asserted in its Petition.¹⁶ The Commission found rather that, as its witness Mr. Gardner testified, absent these incentives, “the value of other compensation elements (i.e., base salary) would have to be increased to deliver the same relative value to attract necessary talent.” (T. 1662).

¹⁶In EAI's Petition, it states, in part, “(t)he uncontradicted evidence is that the Company must offer such incentive programs - all of them - to compete successfully in the market for employee talent.” (EAI Petition at 39)

The Commission's finding was not based on excessive compensation, compensation paid by other utilities, or on the abnormality of that compensation. Rather, the Commission based its finding on the evidence of direct ratepayer benefits resulting from the goals to which the incentives were tied. And in this regard, EAI provides no substantive evidence that incentives tied only to EAI's financial performance provide significant benefits to ratepayers rather than shareholders or that incentives tied only to Entergy, Inc. stock prices provide any direct discernible benefits to ratepayers at all. The Commission, therefore, denies EAI's Petition in this regard.

AEEC's Application

AEEC alleges that the Commission relied upon "value of service" ratemaking when the Commission relied upon the benefits received from production plant in allocating costs among customer classes. (AEEC Petition at 2-6). Further, AEEC argues that the Commission misconstrues the justification for construction of EAI's current baseload generation. (AEEC Petition at 6-11).

However, AEEC erroneously confuses "value of service" ratemaking with the usage of "benefits received." The two are not equivalent. Value of service pricing refers to the setting of rates based on each customer class's demand function and the elasticity of that demand function¹⁷. In this case the Commission is talking about the fuel savings each customer class receives as a benefit from Entergy's baseload production plant (coal and nuclear).

The context for this is the issue of the appropriate manner of allocation generating plant fixed costs among customer classes. (Order No. 10 at 86-131). The Commission wants to be clear that the "benefits received principle" is not necessary in order to conclude that the Average and Peak ("AP") allocation method is reasonable. On

¹⁷See Charles Phillips, *The Regulation of Public Utilities*, 1988, Public Utilities Reports; Arlington, VA. pp. 412-14 and James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, 1988, Public Utilities Reports; Arlington, VA, p. 125.

p. 89 of Order No. 10 the Commission listed three reasons in support of the AP method: (1) it considers utilization of plant year-round; (2) it reflects the fact much of EAI's production plant was built to provide fuel savings; and (3) it reflects that much of EAI's production plant was built to provide fuel diversity. Even if one assumes that all production plant is the same, and that there is no fuel savings or fuel diversity arising from that production plant, reason (1) listed above is sufficient for the determination that the AP method is a reasonable allocation method in this case. (Order No. 10 at 89-91).

Additionally, it is reasonable to consider the benefits received as a cost-causative factor in allocations of production costs in this case. This is true for two reasons. First, "projected benefits received" is a factor in allocations in this case. EAI made a decision in the 1970's and early 1980's to plan and construct nuclear and coal generating units to: (1) meet peak; (2) provide fuel savings; and (3) provide fuel diversity. While EAI projected the need for additional generating plant to meet peak loads, the *choice* of the type of plant (oil, gas, coal, nuclear, etc.) would determine capacity costs and fuel costs. While the choice of building nuclear and coal plants led to relatively higher fixed costs, that same choice provides for relatively lower fuel costs and fuel savings. Further, those choices allowed for greater fuel diversity at a time (1970's) when there was uncertainty about the reliability of supplies of oil to fuel generating units. During the 1970's, when EAI was planning and constructing two nuclear units and four coal units, EAI was dependent upon oil, gas, and hydroelectric sources of power. It is clear, at a minimum, that EAI chose these units to provide fuel diversity.

EAI chose to construct relatively high fixed cost plants, nuclear and coal, to meet peak, provide fuel savings, and provide fuel diversity. Clearly, a cause of the high costs of those plants is a desire for fuel savings and fuel diversity. Both of these factors caused production fixed costs to be correspondingly greater. Thus, the Commission can say

that fuel savings and fuel diversity are both cost-causative factors in production costs paid for by customers today. Given that, since the AP method explicitly uses energy as a factor in allocating production costs, and since the greater the energy consumed by a class the greater the fuel savings and fuel diversity, consideration of fuel savings and fuel diversity as cost-causative factors *enhance* the applicability of the AP method in this case.

Second, it is close to impossible for any regulatory Commission to utilize “pure” cost-causation in the allocation of production fixed costs. That would necessitate going back to the period in time at which the electric utility was planning the generating plant to see what customer class peaks and energy usage were at the time, or alternatively, what projections of peak and energy was the utility relying upon during the planning process. Using “pure” cost-causation, each customer class’s contributions to peak and energy during that earlier period would be utilized. In this case, that would require developing EAI information from the 1970’s to determine the proper allocation to classes today. No party, including AEEC, has proposed that. Consequently, it is fair to say that AEEC is not even adhering to the cost-causation principles as defined by AEEC.

In essence, regulatory commissions use updated test-year class usage information in developing class allocations. Implicitly, regulatory commissions use a “benefits received principle” as well. Regulators are looking at how much, relatively, each class benefits from having its peak usage and energy usage met by the current portfolio of plants. Those current relative proportions are unlikely to be equivalent to the proportions at the time the generating units were planned and constructed. Thus, by necessity, this Commission, as do other Commissions, implicitly considers “benefits received today” in implementing cost-causation principles.

AEEC also alleges that the customer impact of Order No. 10 results in disproportionate impacts to the LGS Class. (AEEC Petition at 5-6). However, AEEC fails

to consider the broader picture of the impact of all rate changes: Base Rate, Fuel Charge, Grand Gulf, and Rider PCA as demonstrated by Staff witness Bradley's Compliance Testimony. As shown there, the broad picture rate impact of Order No. 10 is: Residential -9.81%, SGS -5.82%, LGS -7.05%, Lighting 7.57%, and Total Retail -7.73%. As can be easily seen, there is no disproportionate impact on the LGS associated with Order No. 10, in conjunction with all other rate effects.

Errata Order No. 11:

Order No. 10 directed that compliance retail rates and tariffs consistent with the provisions of Order No. 10 "shall be effective for all *electric usage* on and after June 15, 2007." (emphasis added). The reference to "electric usage" was simply an error. Errata Order No. 11 merely corrected the error and amended the effective date for compliance rates and tariffs to be "for *all bills rendered* after June 15, 2007." (emphasis added).

Both EAI and AEEC challenge Errata Order No. 11. EAI argues that Order No. 11

... is impossible to comply with practically or legally and thus is arbitrary and without a rational basis. EAI renders bills continuously throughout the month. The Company can only bill according to approved tariffs on file with the Commission. Ark. Code Ann. §23-4-202. Rate schedules in compliance with Order No. 10 were prepared ... and filed for review and approval ... on June 26, 2007. Meanwhile, EAI by law must render bills according to its existing tariffs only, in facial conflict with Order No. 11, or else suspend billing, itself an arbitrary and irrational behavior for which there is no lawful basis. EAI ... requests the Commission to reconsider Order No. 11 and to provide for effectiveness of its compliance tariffs as of the Company's first billing cycle in the month following approval of those tariffs or, if approval is not sufficiently in advance of the first billing cycle of the month, as soon thereafter as EAI's billing system can be prepared to bill the approved rates. (EAI Petition at 41).

AEEC argues, in part, that the Commission's Errata Order No. 11 violates Ark. Code Ann. § 23-2-426(a) which provides that "[t]he Commission may at any time, and from time to time, after notice, and after opportunity to be heard as provided in the case of complaints, rescind or amend by order any decision made by it." Accordingly, AEEC argues, in essence, that the Commission can not correct an error in its Order No. 10

without first providing an opportunity for all parties to be heard. AEEC cites no precedent for such conclusion. The Commission retains jurisdiction over this matter until such time as the official record has been lodged with the Court of Appeals upon the appeal of an adversely affected party. That has not yet occurred in this matter. Had Order No. 10, mistakenly directed EAI to *increase* rather than to *decrease* its rates by approximately \$5.67 million, would AEEC argue that the Commission could not correct its error without first providing an opportunity for all parties to be heard? At any rate, as evidenced by AEEC's Rehearing Application and the responses thereto by the Staff and the AG, AEEC and the other parties have now been afforded an opportunity to be heard on this issue. Thus, the due process rights of AEEC have not been adversely affected by Errata Order No. 11.

EAI, AEEC, and the Staff variously cite the following provisions of the Arkansas Code regarding the effective date of new tariffs:

23-4-202. Water, gas, or electricity bills rendered in accordance with rate schedules - Rate schedule furnished on request.

(a) It shall be unlawful for any public utility furnishing water, gas, or electricity to the general public in the State of Arkansas to bill or render statements to its customers, patrons, or consumers except in accordance with rate schedules duly filed with the Arkansas Public Service Commission in the manner provided by law.

23-4-410. Authority of Arkansas Public Service Commission to fix rates - Apportionment of increase.

(a) If after the investigation and hearing thereon the Arkansas Public Service Commission finds the new rate to be unjust, unreasonable, discriminatory, or otherwise in violation of the law or rules of the commission, it shall determine and fix the just and reasonable rate to be charged or applied by the utility for the service in question, from and after the time the new rate took effect.

(b) Until rate schedules in compliance with the commission's order can be filed and approved, any rate increase allowed in the commission's order shall be apportioned among all classes of customers and shall become effective on all bills rendered thereafter through a temporary surcharge or

other equitable means, as shall be prescribed in the order.

23-4-411. Failure of Arkansas Public Service Commission to reach timely decision - Conditional implementation of suspended rates.

In the event no final rate determination has been made upon the schedule for new rates within ten (10) months after the date the schedule for new rates was filed with the Arkansas Public Service Commission, the public utility may put the suspended rate into effect for all bills rendered thereafter immediately upon the filing of a bond to be approved by the commission payable to the State of Arkansas in such amount and with sufficient security to insure prompt payment of any refunds to the persons entitled thereto, including an interest rate as determined by the commission not to exceed the maximum interest otherwise allowed by law, if the rate or rates so put into effect are finally determined to be excessive. There may be substituted for the bond other arrangements satisfactory to the commission for the protection of the parties interested.

23-4-412. Issuance of Arkansas Public Service Commission order - Rates to be collected.

Notwithstanding any other provisions of this act, upon issuance of the findings and order of the Arkansas Public Service Commission as prescribed in § 23-2-421, no public utility subject to the order shall continue to collect any rates theretofore permitted to be collected under bond. The public utility shall be permitted to collect only those rates set in the order of the commission, and those rates shall be effective throughout any rehearing and judicial review proceedings permitted and prescribed in §§ 23-2-422 - 23-2-424.

Ark. Code Ann. § 23-4-202, cited by EAI and AEEC, covers tariff filings generally and prohibits a public utility from charging its customers except in accordance with rate schedules duly filed with the Commission. Ark. Code Ann. §§ 23-4-410, 23-4-411 and 23-4-412 specifically apply to rate case proceedings. Thus, Ark. Code Ann. §§ 23-4-410, 23-4-411 and 23-4-412 governs Ark. Code Ann. § 23-4-202. *Osborne v. State*, 94 Ark. App. 337, ___ S.W.3d ___, 2006 WL 476984 at *3 (2006).

The Commission interprets Ark. Code Ann. § 23-4-410 as being applicable to either a rate increase or decrease ordered as the result of a rate case proceeding. 23-4-410(b) specifically directs that, “[u]ntil rate schedules in compliance with the commission’s order can be filed and approved, any rate increase [or decrease] ... shall

become *effective on all bills rendered thereafter*” (emphasis added). Likewise, in the event the Commission fails to timely issue its final rate determination, 23-4-411 directs that the public utility “may put the suspended rates into *effect for all bills rendered thereafter*” (emphasis added). In the instant case the Commission’s final Order No. 10 was timely issued. Further, 23-4-412 directs that “[t]he public utility shall be permitted to collect only those rates set in the order of the commission, and *those rates shall be effective throughout any rehearing and judicial review proceedings*” (emphasis added).

Attempting to read the controlling statutes (Ark. Code Ann. §§ 234-410, 23-4-411 and 23-4-412) harmoniously, the Commission concludes that these three statutes direct that new rates resulting from the rate case process, whether an increase or decrease, are to be made effective for *all bills rendered* after the date of the order authorizing new rates. Accordingly, Errata Order No. 11 stands.

Compliance Tariffs/Cost Allocation:

On June 26, 2007, EAI filed revised tariffs, proffered in compliance with Order No. 10, as well as a compliance cost-of-service study (“COS”) and rate design workpapers. By Order No. 14, issued on July 26, 2007, the Commission suspended EAI’s June 26, 2007 compliance tariffs pending further investigation and review. On August 8, 2007, EAI filed corrected tariffs proffered in compliance with Orders No. 10 and 14.

Staff witness Bradley, in her July 24, 2007, Compliance Testimony regarding EAI’s June 26, 2007 COS, testified that the COS “properly reflect[s] the Commission’s directive in Order No. 10 ... regarding the level of on-going expenses, rate base, rate of return, pro forma billing determinants, and cost classification and allocation ... [and] a Retail revenue excess of approximately \$5.13 million for a total retail base rate revenue requirement of approximately \$918.7 million.”

If the COS is approved as filed, Witness Bradley points out that the resulting retail customer class base rate revenue impacts would be a 6.12% decrease for the Residential Class, a 2.03% increase for the SGS class, a 5.89% increase for the LGS Class, and a 16.91% increase for the Lighting Class, with an overall Arkansas Retail net decrease of 0.56%.

The details of EAI's Compliance COS are presented in witness Bradley's Staff Compliance Exhibit ARWB-1 and summarized in her Table 1 as follows:

Table 1
Summary of EAI's Compliance COS Study

Customer Class	Base Rate Revenues	Revenue Deficiency (Excess)	Total Base Rate Revenue Requirement	Other Operating Revenues	Total Revenue Requirement	% Change in Base Rate Revenues
Residential	\$446,613,834	(\$27,314,310)	\$419,299,524	\$20,159,953	\$439,459,477	-6.12%
SGS	\$210,515,091	\$4,265,556	\$214,780,647	\$7,509,080	\$222,289,727	2.03%
LGS	\$246,487,575	\$14,509,497	\$260,997,073	\$9,246,301	\$270,243,374	5.89%
Lighting	\$20,173,304	\$3,412,115	\$23,585,419	\$784,218	\$24,369,637	16.91%
Total Arkansas Retail	\$923,789,804	(\$5,127,141)	\$918,662,663	\$37,699,552	\$956,362,215	-0.56%

After factoring in non-base rate¹⁸ charges the retail customer class impacts would be a 9.81% decrease for the Residential Class, a 5.82% decrease for the SGS Class, a 7.05% decrease for the LGS Class, and a 7.57% increase for the Lighting Class, with an overall Arkansas Retail decrease of 7.73%.

The details of EAI's Compliance COS after factoring in non-base rate changes are summarized in witness Bradley's Table 2 as follows:

¹⁸ EAI's non-base rate charges include: fuel charges, Grand Gulf related costs, Entergy System Agreement production Cost Payments (FERC payments), and nuclear decommissioning costs.

Table 2
Compliance Customer Impact Summary

		Residential	SGS	LGS	Lighting	Total Retail
Base Rates¹⁹	Present	\$446,613,834	\$210,515,091	\$246,487,575	\$20,173,304	\$923,789,804
	Proposed	\$419,299,524	\$214,780,647	\$260,997,073	\$23,585,419	\$918,662,663
	\$ Difference	(\$27,314,310)	\$4,265,556	\$14,509,497	\$3,412,115	(\$5,127,141)
Fuel Charge²⁰	Present	\$219,782,989	\$125,773,244	\$257,577,729	\$6,984,782	\$610,118,744
	Proposed	\$91,660,468	\$52,453,716	\$107,422,760	\$2,913,002	\$254,449,947
	\$ Difference	(\$128,122,521)	(\$73,319,528)	(\$150,154,969)	(\$4,071,780)	(\$355,668,797)
Grand Gulf²¹	Present	\$55,775,472	\$25,950,882	\$36,050,164	\$2,342,273	\$120,118,791
	Proposed	\$54,881,526	\$24,978,161	\$35,429,833	\$2,481,085	\$117,770,605
	\$ Difference	(\$893,946)	(\$972,721)	(\$620,331)	\$138,812	(\$2,348,186)
System Production Costs²²	Present	\$0	\$0	\$0	\$0	\$0
	Proposed	\$85,477,774	\$48,937,482	\$98,196,173	\$2,754,306	\$235,365,735
	\$ Difference	\$85,477,774	\$48,937,482	\$98,196,173	\$2,754,306	\$235,365,735
All Charges	Present	\$722,172,295	\$362,239,217	\$540,115,468	\$29,500,359	\$1,654,027,340
	Proposed	\$651,319,293	\$341,150,006	\$502,045,839	\$31,733,813	\$1,526,248,950
	\$ Difference	(\$70,853,002)	(\$21,089,212)	(\$38,069,630)	\$2,233,454	(\$127,778,390)
	% Difference	-9.81%	-5.82%	-7.05%	7.57%	-7.73%

“In order to reduce the customer impact variations between classes,” Witness Bradley “recommend[s] that the Residential base rate decrease be limited to the Retail base rate decrease of approximately \$5.13 million and that the SGS, LGS, and Lighting base rates remain at current levels.” Witness Bradley’s proposed revised allocation would produce a 6.74% decrease for the Residential Class, a 7.0% decrease for the SGS Class, a 9.73% decrease for the LGS Class, and a 4.0% decrease for the Lighting Class. Witness Bradley’s recommendation is reflected in her Table 4 as follows:

¹⁹ Present Base Rates are based on EAI’s revised G-1 schedule filed on August 23, 2006. Proposed Base Rates are based on EAI’s Compliance COS Study filed on June 26, 2007.

²⁰ Present Fuel Charges are based on EAI’s revised H-1 schedule filed on August 23, 2006. Proposed fuel charges are calculated by multiplying EAI’s rate class MWhs (found in the E-13 schedule filed on August 23, 2006) times 1000 by the new Energy Cost Recovery rate as filed by the Company on March 18, 2007 (\$0.01179/kWh).

²¹ Present Grand Gulf Charges are based on EAI’s revised H-1 schedule filed on August 23, 2006. Proposed Grand Gulf Charges are based on the 2007 Grand Gulf (Rider M33) revenue requirement filed in Docket No. 06-145-TF.

²² Proposed Entergy System Agreement Production Costs are based on EAI’s Rate Schedule No. 48 (Rider PCA) filed on June 22, 2007.

Table 4 - Staff's Recommended Customer Impact Summary

		Residential	SGS	LGS	Lighting	Total Retail
Base Rates²³	Present	\$446,613,834	\$210,515,091	\$246,487,575	\$20,173,304	\$923,789,804
	Proposed	\$441,486,693	\$210,515,091	\$246,487,575	\$20,173,304	\$918,662,663
	\$ Difference	(\$5,127,141)	\$0	\$0	\$0	(\$5,127,141)
Fuel Charge²⁴	Present	\$219,782,989	\$125,773,244	\$257,577,729	\$6,984,782	\$610,118,744
	Proposed	\$91,660,468	\$52,453,716	\$107,422,760	\$2,913,002	\$254,449,947
	\$ Difference	(\$128,122,521)	(\$73,319,528)	(\$150,154,969)	(\$4,071,780)	(\$355,668,797)
Grand Gulf²⁵	Present	\$55,775,472	\$25,950,882	\$36,050,164	\$2,342,273	\$120,118,791
	Proposed	\$54,881,526	\$24,978,161	\$35,429,833	\$2,481,085	\$117,770,605
	\$ Difference	(\$893,946)	(\$972,721)	(\$620,331)	\$138,812	(\$2,348,186)
System Production Costs²⁶	Present	\$0	\$0	\$0	\$0	\$0
	Proposed	\$85,477,774	\$48,937,482	\$98,196,173	\$2,754,306	\$235,365,735
	\$ Difference	\$85,477,774	\$48,937,482	\$98,196,173	\$2,754,306	\$235,365,735
All Charges	Present	\$722,172,295	\$362,239,217	\$540,115,468	\$29,500,359	\$1,654,027,340
	Proposed	\$673,506,461	\$336,884,450	\$487,536,341	\$28,321,697	\$1,526,248,950
	\$ Difference	(\$48,665,834)	(\$25,354,767)	(\$52,579,127)	(\$1,178,662)	(\$127,778,390)
	% Difference	-6.74%	-7.00%	-9.73%	-4.00%	-7.73%

Staff witness Butler, in her July 24, 2007, Compliance Testimony, testified that, “[w]ith the exception of the Energy Cost Recovery Rider (ECR Rider), [EAI’s] tariffs are materially consistent with the requirements of Commission Order No. 10.” She recommends that EAI’s proffered Section 38.5 be rejected and replaced with her recommended alternative language. Witness Butler also recommended other changes be made to the tariffs as filed. In conclusion Witness Butler recommended that EAI’s June 26, 2007, Compliance Tariffs be suspended and that EAI be directed to file revised tariffs reflecting the changes recommended in her testimony and in the testimony of Staff Witness Bradley.

²³ Present Base Rates are based on EAI’s revised G-1 schedule filed on August 23, 2006. Proposed Base Rates are based on EAI’s Compliance COS Study filed on June 26, 2007.

²⁴ Present Fuel Charges are based on EAI’s revised H-1 schedule filed on August 23, 2006. Proposed fuel charges are calculated by multiplying EAI’s rate class MWhs (found in the E-13 schedule filed on August 23, 2006) times 1000 by the new Energy Cost Recovery rate as filed by the Company on March 18, 2007 (\$0.01179/kWh).

²⁵ Present Grand Gulf Charges are based on EAI’s revised H-1 schedule filed on August 23, 2006. Proposed Grand Gulf Charges are based on the 2007 Grand Gulf (Rider M33) revenue requirement filed in Docket No. 06-145-TF.

As recommended by Witness Butler, the Commission timely issued Order No. 14 suspending EAI's June 26, 2007 tariffs²⁷ pending further investigation and review. Order No. 14 further directed that any party wishing to file comments and/or testimony in reply to the Compliance Testimonies of Staff witnesses Bradley and Butler shall do so by 2:00 p.m. on August 3, 2007. Further, EAI was directed to file on August 3, 2007, revised tariffs reflecting the changes recommended by Staff witnesses Bradley and Butler. Order No. 14 also indicated that, if necessary, a hearing would be set by subsequent order.

The Commercial Group filed its *Comments in Support of Staff's Compliance Testimony Recommendation* on August 3, 2007, as directed. Therein the Commercial Group offered the following comments:

The Commission issued its Order No. 10 herein on June 15, 2007. According to its express language, Order No. 10's allocation of rate increases or decreases among the customer classes are clearly conditional and subject to further refinement as recommended in the Bradley Compliance Testimony.

The relevant findings paragraph of Order No. 10 states, first of all, the Commission's general guiding principle for class cost of service allocations: "The Commission finds that, in keeping with its prior determinations, increase or decreases in rates should, for the most part, reflect the overall cost of service." Order No. 10, p. 102. (emphasis added). However, the order also makes clear that this general guiding principle is subject to a further test of reasonableness: "The Commission may find that [the] results of an appropriately allocated cost of service do not reflect reasonable increases or decreases among the classes." Id. at n. 51.

To implement both of these principles Order No. 10 adopts a cost of service methodology, but unmistakably reserves the option of revisiting the reasonableness of the resulting increases or decreases among the classes: "The Commission therefore adopts the cost of service method as approved herein, subject to further findings should the newly run cost of

²⁶ Proposed Entergy System Agreement Production Costs are based on EAI's Rate Schedule No. 48 (Rider PCA) filed on June 22, 2007.

²⁷ Unless suspended within thirty (30) days of filing, tariffs become effective by operation of law.

service results reflect unreasonable variations from the results reflected in the record.” Id. at p. 102. (emphasis added). This is precisely what is being recommended in the Bradley Compliance Testimony.

Higher load factor commercial and industrial customers are adversely impacted by Order No. 10’s allocation of FERC-imposed Entergy System Production Costs on an energy basis rather than a demand basis. As reflected in Table 4 of the Bradley Compliance Testimony, Staffs recommendation will help to alleviate this adverse impact, while still providing all customer classes - including the Residential customer class - with meaningful rate decreases. This is a more reasonable and fair result than the straight cost of service results.

Further, the Commercial Group asserts that “[n]ot only is Staff’s recommendation supported by the express language of Order No. 10, it is also supported by substantial evidence already in the record. The Bradley Compliance Testimony clearly constitutes evidence in and of itself, and would support Staffs recommendation alone.” Commercial Group Comments at 2-3.

Referring to the Surrebuttal Testimony of the Commercial Group’s witness Glen E. Gregory, entered into the record prior to the issuance of Order No. 10, the Commercial Group asserts that there is already record evidence supporting Staff witness Bradley’s recommendation. Referencing Mr. Gregory’s testimony the Commercial Group further comments as follows:

In [his] Surrebuttal Testimony ..., Mr. Gregory recommended that in the event of a base rate reduction, the residential class should be decreased by the amount of the base rate reduction and the base rates of the other classes should remain unchanged. Gregory Surrebuttal Testimony p. 12, In. 14-21. This is exactly the recommendation in Staff’s compliance testimony. See Bradley Compliance Testimony p. 5, Table 4, in the row labeled “Base Rates,” “\$ Difference.” Thus, the recommendation in Staff’s compliance testimony is supported by substantial evidence already in the record of this cause.

Commercial Group Comments at 3.

Further, the Commercial Group argues that additional hearings on Staff’s recommendation are unnecessary and would result in additional unnecessary expense.

As noted above, Staff's recommendation ... is expressly authorized by Order No. 10 ... and is supported by substantial evidence in the record. It is important to note that the language of Order No. 10 authorizing "reasonableness" adjustments to the final cost of service results does not require additional testimony and/or hearings before doing so. See Order No. 10 at p. 102. Accordingly, requiring additional testimony and hearings on this matter would only result in additional - and unnecessary - expense to the parties to this cause.

Commercial Group Comments at 3.

Like the Commercial Group, AEEC, through the Compliance Testimony of AEEC witness Randall Falkenberg filed on August 3, 2007, supports the COS allocation proposal of Staff witness Bradley. Witness Falkenberg testifies that AEEC "most definitely" supports Staff witness Bradley's COS allocation proposal. "Staff's proposal will move toward a more equitable cost allocation in this case. Staff's proposal would also move rates marginally in the direction of cost of service, based on the ratemaking and costing principles AEEC espoused in the case." Falkenberg Testimony at 2.

Witness Falkenberg, in further support of Staff's COS recommendation, also referred the Commission to its decision in Docket No. 04-121-U involving CenterPoint Energy Arkla, a rate case "quite similar" to the instant case. In Docket No. 04-021-U the Commission, in its final rate case Order No. 16 at p. 69, stated as follows:

However, given that the net result of this order is a substantial rate decrease, and given that Staff's rate design proposal would mean a slight increase for the small commercial class and a significant rate increase for the large commercial class while decreasing rates only for the residential class, the Commission finds that it is more appropriate to deviate somewhat from Staff's rate design proposal. For purposes of this rate case the Commission finds that the rates for the small commercial class and the large industrial class should be held constant and the rates for the residential class should be decreased accordingly. (footnote omitted).

Witness Falkenberg concludes that the principle stated by the Commission in Docket

No. 04-021-U “seems equally clear here, and would support the Staff recommendation.” Falkenberg Testimony at 5.

The AG filed the Compliance Testimony of William B. Marcus on August 3, 2007. Through the testimony of Mr. Marcus, the AG recommends that the Commission reject the COS recommendation of Staff witness Bradley. The AG’s primary objection to Staff witness Bradley’s COS recommendation is that, if adopted, Staff’s proposal would increase residential rates to lower rates for other classes. Marcus Testimony at 3. Although witness Marcus acknowledges that “it is reasonable to mitigate rate impacts when it is necessary” such mitigation is not necessary in the instant case. In support of his position that rate mitigation is not necessary in the instant case, witness Marcus testifies as follows:

First, rate mitigation is simply not necessary in this case, except possibly for street lighting. Everyone else gets a decrease between 5.8% and 9.8%. This is not “rate shock.” Moreover, the Staff “mitigation” overshoots the mark and stands typical ratemaking on its head. The classes that need smaller percentage decreases than average to reach cost of service are given percentage decreases that are greater than the system average, while the residential class is given a smaller decrease than the system average, when a larger decrease than average would be consistent with cost of service. Finally, rate mitigation of this type should have been specifically proposed in the case itself or through a petition for rehearing. The compliance testimony stage is not the appropriate time to raise this mitigation proposal, when the underlying class allocation issues have already been fully considered and resolved.

Marcus Testimony at 5-6.

EAI also filed Comments on August 3, 2007, in response to the COS Compliance Testimony of Staff witness Bradley.²⁸ Like the AG, EAI also opposes witness Bradley’s COS recommendation. EAI asserts that witness Bradley’s recommendation is procedurally improper because she recommends an alternative COS allocation proposal

²⁸ EAI is the only party requesting that an additional hearing be set to consider Staff witness Bradley’s COS recommendation. EAI Comments at 9.

not reflected in Order No. 10 and that goes beyond the directives therein. Moreover, EAI argues that there is no analytical support for witness Bradley's recommendation in evidence in the instant proceeding. Accordingly, EAI asserts that witness Bradley's COS recommendation is not supported by substantial evidence of record. EAI Comments at 3-5.

Contrary to the arguments of the AG and EAI, the Commission finds that there is substantial evidence of record to support the adoption of Staff witness Bradley's alternative COS allocation recommendation. See the Surrebuttal Testimony of the Commercial Group's witness Glen E. Gregory, the Compliance Comments of the Commercial Group, the Compliance Testimony of AEEC's witness Randal Falkenberg, and the Compliance Testimony of Staff witness Adrienne Bradley described hereinabove. Further, based upon these testimonies and comments the Commission finds that Staff witness Bradley's alternative COS allocation proposal, which allocates to the residential class the full \$5.13 million rate decrease while holding the base rates of all other customer classes at current levels in order to reduce the customer impact variations between customer classes, is more appropriate than the COS allocations proposed by the AG and EAI²⁹, is just and reasonable, and is in the public interest. Therefore, the alternative COS allocation proposal recommended by Staff witness Bradley in her July 24, 2007, Compliance Testimony is adopted.

CONCLUSION


Other than as modified hereinabove, Order No. 10 is affirmed and the rehearing petitions of EAI and AEEC are otherwise denied. Further, the Compliance tariffs filed by EAI on June 26, 2007, and on August 3, 2007, are rejected; and the Compliance tariffs filed by EAI on August 8, 2007, are approved effective for all bills rendered after

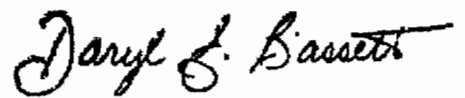
²⁹ EAI's proposed COS allocation, even though Order No. 10 directed a base rate decrease of approximately \$5.13 million, would cause the base rates of the SGS class to go up by 2.03%, the base rates of the LGS class to go up by 5.89%, and the base rates of the Lighting class to go up by 16.91%. Such result is inconsistent with the intent of Order No. 10.

June 15, 2007, the date upon which the Commission's final rate case Order No. 10 was issued. The implementation of such rates back to June 15, 2007, may be accomplished by the use of appropriate credits or debits to subsequent customer billings.

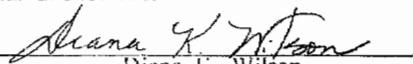
BY ORDER OF THE COMMISSION.

This 13th day of August, 2007.


Paul Suskie, Chairman


Daryl E. Bassett, Commissioner

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.


Diana K. Wilson

Secretary of the Commission

Date 8/13/07

Dave Slaton

From: Dave Slaton
Sent: Friday, April 20, 2007 10:50 AM
To: Brian Donahue (bdonahue@aeec-agc.org); Connie Griffin; Cynthia Uhrynowycz; Damund Williams (damund.williams@tyndall.af.mil); Karen White (karen.white@tyndall.af.mil); Kurt Boehm (kboehm@BKLawfirm.com); Lori L. Burrows; Michael Kurtz (mkurtz@BKLawfirm.com); N. M. Norton (N. M. Norton); Paul Ward; Rick Chamberlain (rdc_law@swbell.net); Sarah Tacker (sarah.tacker@arkansasag.gov); Scott Trotter (strotter@perkinstrotter.com); Shawn McMurray (shawn.mcmurray@arkansasag.gov); Stacy Hazell (shazell@aeec-agc.org); Stephen Giles (sgiles@gileslaw.net); Susan D'Auteuil; Tucker Raney (traney@entergy.com); Valerie Boyce
Subject: 06-101-U Hearing Instructions
Importance: High

Counsel,

As you know the hearing in 06-101-U will begin at 9:30 a.m. on Wednesday, April 25, 2007, in Hearing Room 1. The hearing will be conducted as follows:

1. Opening Comments from Commission Chairman.
2. Entry of Appearances by Counsel and Identification of Witnesses for each party - in the following order:
 - a. EAI (Norton, Trotter, Raney, Jackson)
 - b. Commercial Group (Chamberlain)
 - c. Kroger (Boehm)
 - d. Federal Agencies (White, Williams)
 - e. AEEC (Joiner, Donahue, Hazell)
 - f. Atty General (McMurray, Tacker)
 - g. General Staff (Boyce, Burrows, Uhrynowycz, Ward, D'Auteuil, Griffin)

**** By "Reply-To-All" email please confirm that you have received this message and confirm/correct the names of counsel who will be appearing – see list above. Also, please identify counsel who will present opening statements.
3. Administration of oath for all witnesses
4. Procedural matters/motions (excluding motions for closing arguments and/or post-hearing briefs – see item 10 below.)
5. Opening Statement – limited to a maximum of 15 minutes – to be presented in same order as appearances.
6. Public Comments
7. Presentation of Witnesses to follow the Issues List filed on April 9, 2007. The Issues List will be followed exactly as filed. All prefiled testimony and exhibits of a given witness shall be introduced on the first appearance on the stand of the witness.
8. Cross-X will follow the order of appearances.

9. "The Rule" will be in effect after Cross-X for each witness has concluded and once the Commissioners begin their questioning of the witness.

10. Closing Arguments and/or Post-Hearing Briefs: At the conclusion of the hearing the Commission will address the motion of any party for an opportunity to make closing arguments and/or submit post-hearing briefs.

11. Adjourn

Thank you.

D. David Slaton
Chief ALJ and Chief of Commissioners' Staff
Arkansas Public Service Commission
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Dave Slaton

From: Dave Slaton**Sent:** Friday, April 20, 2007 12:48 PM**To:** Brian Donahue (bdonahue@aeec-agc.org); Connie Griffin; Cynthia Uhrynowycz; Damund Williams (damund.williams@tyndall.af.mil); Karen White (karen.white@tyndall.af.mil); Kurt Boehm (kboehm@BKLawfirm.com); Lori L. Burrows; Michael Kurtz (mkurtz@BKLawfirm.com); N. M. Norton (N. M. Norton); Paul Ward; Rick Chamberlain (rdc_law@swbell.net); Sarah Tacker (sarah.tacker@arkansasag.gov); Scott Trotter (strotter@perkinstrotter.com); Shawn McMurray (shawn.mcmurray@arkansasag.gov); Stacy Hazell (shazell@aeec-agc.org); Stephen Giles (sgiles@gileslaw.net); Susan D'Auteuil; Tucker Raney (traney@entergy.com); Valerie Boyce**Subject:** Re 06-101-U Hearing

Counsel,

For those of you less familiar with practice before the Commission I should explain "The Rule" as referenced in Instruction # 9 of my prior email. "The Rule" means that once cross-examination of a witness has been concluded by counsel and thereafter the Commissioners have begun their independent questioning of the witness, the opportunity for further questioning of the witness by counsel is foreclosed. Thank you.

D. David Slaton
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Arkansas Public Service Commission
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