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Entergy Arkansas, Inc.  
Regulatory Affairs  
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2008 FEB 28 AM 11:32

T.R.A. DOCKET ROOM

February 26, 2008

Ms. Pat Murphy, Manager  
Energy and Water Utility Division  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RECEIVED

FEB 28 2008

TN REGULATORY AUTHORITY  
UTILITIES DIVISION

Re: Tennessee Regulatory Authority (TRA) Docket No. 08-00020  
Entergy Arkansas, Inc.(EAI) Request for Approval of Capacity  
Acquisition Rider (Rider CA)

Dear Ms. Murphy:

Pursuant to the TRA's February 25, 2008 conference review and approval of EAI's proposed Rate Schedule No. 49 Capacity Acquisition Rider (Rider CA) in this Docket and per Ms. Collier's instructions, attached for filing are the original and 13 copies of EAI's approved Rider CA, Table of Contents Sheet TC-5, and Rate Schedule 17 Sheet 17.1 reflecting the effective date of March 4, 2008.

Sincerely,

A handwritten signature in black ink that reads "David E. Hunt".

David E. Hunt  
Manager, Regulatory Affairs

Attachments

## ARKANSAS PUBLIC SERVICE COMMISSION

Original

Sheet No. 49.1

Schedule Sheet 1 of 5  
Including Attachments

Replacing

Sheet No.

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

TRA Docket No.: 08-00020

**Part III. Rate Schedule No. 49**

Effective: 3/4/08

**Title: Capacity Acquisition Rider (CA)**

PSC File Mark Only

### **49.0 CAPACITY ACQUISITION RIDER**

(NR)

#### **49.1 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.

#### **49.2 PURPOSE**

The purpose of this Capacity Acquisition Rider ("Rider CA") is to recover, from EAI's retail customers, changes in costs associated with the Ouachita Plant Interim Tolling Agreement ("ITA"), along with the reserve equalization effects, if any, associated with the acquired capability and purchased capacity as approved by the APSC in Docket No. 06-152-U. Rider CA shall apply in accordance with the provisions of § 49.3 below to electric service billed under certain rate schedules, whether metered or unmetered. Rider CA is effective with the first billing cycle for the February 2008 billing month and is applicable solely during the ITA Period as defined in this rider.

#### **49.3 CAPACITY RATES**

The capacity acquisition rates ("Capacity Rates") shall be set forth in Attachment A to this Rider CA.

#### **49.4 ANNUAL DETERMINATION**

The "Interim Tolling Agreement (ITA) Period" shall be the period from the first billing cycle for the February 2008 billing month until one month after the termination of the ITA. During the ITA Period the Capacity Rates, as set out in Attachment A, shall be based on the annualized non-fuel cost of the ITA approved by the APSC in Docket No. 06-152-U and determined by application of the formula ("Capacity Rate Formula") set out in Attachment B to this Rider CA. If the ITA does not terminate during 2008 the Company shall file on or around each December 1st, until the termination of the ITA, an updated calculation of the Capacity Rates, as set out in Attachment A recognizing the then current annualized non-fuel cost of the ITA approved by the APSC in Docket No. 06-152-U and determined by application of the Capacity Rate Formula set out in Attachment B to this Rider CA.

## ARKANSAS PUBLIC SERVICE COMMISSION

Original

Sheet No. 49.2

Schedule Sheet 2 of 5  
Including Attachments

Replacing

Sheet No.

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

TRA Docket No.: 08-00020

**Part III. Rate Schedule No. 49**

Effective: 3/4/08

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PSC File Mark Only

Capacity Rates for the ITA Period shall be filed by the Company in Docket No. 06-152-U.

(NR)

### **49.5 STAFF AND COMMISSION REVIEW**

Staff shall review the filed Capacity Rates to verify that the formula in Attachment B has been correctly applied and shall notify the Company of any necessary corrections. After the Staff completes its review of the rate calculation, the Company shall make appropriate changes to correct undisputed errors identified by the Staff in its review. Any disputed issues arising out of the Staff review are to be resolved by the Commission after notice and hearing. The Capacity Rates shall go into effect, upon Commission approval, with the first billing cycle of the following February.

### **49.6 TERM**

This Rider CA shall remain in effect until one month after termination of the ITA.

Effective: 3/4/08

Attachment A to  
 Rate Schedule No. 49  
 Attachment Page 1 of 1  
 Schedule Sheet 3 of 5  
 Including Attachments

**Rider CA Rates**

(NR)

All retail rates and applicable riders on file with the APSC will be increased or decreased by the percentage listed below, except those specifically excluded below:

Rate Class	Rate Schedules	Applicable Percentage
Residential	RS, RT	0.6724%
Small General Service	SGS, GFS, L2, MP, AP, CGS, CTV, SMWHR	0.8056%
Large General Service	LGS, LPS, GST, PST, SSR	1.0846%
Lighting	L1, L1SH, L4	0.2391%

Excluded Schedules:

- Additional Facilities Charge Rider ("AFCR")
- Charges Related to Customer Activity ("CAC")
- Small Cogeneration Rider ("SCR")
- Large Cogeneration Rider ("LCR")
- ANO Decommissioning Cost Rider ("NDCR")
- Energy Cost Recovery Rider ("ECR")
- Municipal Franchise Tax Adjustment Rider ("MFA")
- Grand Gulf Rider ("GGR")
- Experimental Market Valued Energy Reduction Service Rider ("MVER")
- Experimental Energy Reduction Service Rider ("EER")
- Production Cost Allocation Rider ("PCA")
- Energy Efficiency Cost Recovery Rider ("EECR")
- Federal Litigation Consulting Fee Rider ("FLCF")

Effective: 3/4/08

Attachment B to  
Rate Schedule No. 49  
Attachment Page 1 of 2  
Schedule Sheet 4 of 5  
Including Attachments

**Entergy Arkansas, Inc.  
Capacity Rate Formula  
Test Year Ending December 31, 2008**

(NR)

<b>Class Allocation &amp; Rate Development</b>					
Line No.	Class	Class Allocator (1)	Capacity Revenue Reqmt (\$) (2)	Base Rate Revenue (\$) (3)	Applicable Percentage (4)
	<b>EAI Retail</b>				
1	Residential	40.1903%	2,968,405	441,486,716	0.6724%
2	Small General Service	22.9617%	1,695,922	210,515,098	0.8056%
3	Large General Service	36.1949%	2,673,310	246,487,541	1.0846%
4	Lighting	0.6531%	48,237	20,173,305	0.2391%
5	<b>Total EAI Retail</b>	100.000%	7,385,874	918,662,660	

## Notes:

- (1) Most recently approved Rate Class Production Demand Allocation Factor
- (2) Attachment B, Page 2, Line 6 \* Class Allocator
- (3) The Base Rate Revenue for the Test Year
- (4) Class Capacity Revenue Requirement / Class Base Rate Revenue

Effective: 3/4/08

Attachment B to  
Rate Schedule No. 49  
Attachment Page 2 of 2  
Schedule Sheet 5 of 5  
Including Attachments

**Entergy Arkansas, Inc.  
Capacity Revenue Requirement  
Arkansas Retail Jurisdiction (A)  
Test Year Ending December 31, 2008**

(NR)

Line No.	Description	Amount (\$)
1	<b>I. Purchased Power Capacity Costs</b> Interim Tolling Agreement (B)	(C)
2	<b>II. Reserve Equalization Effect</b> Reserve Equalization (Expense/Revenue) (D)	(C)
3	<b>Total Capacity Costs (Line 1 - Line 2)</b>	7,393,060
4	<b>Bad Debt Rate (E)</b>	0.3707%
5	<b>Forfeited Discount Rate (F)</b>	0.4679%
6	<b>Total Capacity Revenue Requirement (Line 3 * (1 + Line 4 – Line 5))</b>	7,385,874

## Notes:

- (A) All costs reflect Retail portion only.
- (B) Contract capacity costs associated with Interim Tolling Agreement for that test year
- (C) Value set forth in confidential work papers supporting the calculation.
- (D) Estimated Reserve Equalization (MSS-1) impact on retail associated with the acquired capacity  

$$[(MW * \text{retail split}) - (MW * \text{EAI responsibility ratio})] * \text{cost rate } \$/\text{MW} * 12$$

(MW is total capability recognizing seasonal ratings per MSS-1)  
(Cost rate reflects the relative long or short position of EAI under MSS-1)  
(EAI responsibility ratio and cost rate per most recent MSS-1 calculation)
- (E) The Retail Bad Debt Rate from Docket No. 06-101-U
- (F) The Retail Forfeited Discount Rate from Docket No. 06-101-U

# ARKANSAS PUBLIC SERVICE COMMISSION

5<sup>th</sup> Revised

Sheet No. 17.1

Schedule Sheet 1 of 2

Replacing: 4<sup>th</sup> Revised

Sheet No. 17.1

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: As Applicable

TRA Docket No.: 08-00020

**Part III. Rate Schedule No. 17**

Effective: 3/4/08

**Title: Table of Riders Applicable to Rate Schedules**

PSC File Mark Only

## 17.0. TABLE OF RIDERS APPLICABLE TO RATE SCHEDULES

### 17.1. MANDATORY APPLICATION

The Rate Schedules listed in Group 1 below are mandatory pursuant to the Adjustment provision of each Rate Schedule and shall be applied, as applicable, to each Rate Schedule listed in Group 2 below.

#### Group 1

##### Rate Schedule No. / Name

- 29. Charges Related To Customer Activity (CAC)
- 37. ANO Decommissioning Cost Rider (NDCR)
- 38. Energy Cost Recovery Rider (ECR)
- 39. Municipal Franchise Adjustment Rider (MFA)
- 40. Energy Efficiency Cost Rate Rider (EECR)
- 42. Grand Gulf Rider (GGR)
- 43. Federal Litigation Consulting Fee Rider (FLCF)
- 48. Production Cost Allocation Rider (PCA)
- 49. Capacity Acquisition Rider (CA)

(AT)

#### Group 2

##### Rate Schedule No. / Name

- 1. General Purpose Residential Service (RS)
- 2. Optional Residential Time-Of-Use (RT)
- 4. Small General Service (SGS)
- 5. Nonresidential General Farm Service (GFS)
- 6. Large General Service (LGS)
- 7. Large General Service Time-Of-Use (GST)
- 8. Large Power Service (LPS)
- 9. Large Power Service Time-Of-Use (PST)
- 10. Municipal Street Lighting Service (L1)
- 11. Traffic Signal Service (L2)
- 12. All Night Outdoor Lighting Service (L4)
- 13. Municipal Pumping Service (MP)
- 14. Agricultural Water Pumping Service (AP)
- 15. Cotton Ginning Service (CGS)
- 16. Community Antenna TV Amplifier Service (CTV)
- 20. Standby Service Rider (SSR)
- 21. Municipal Shielded Street Lighting Service (L1SH)
- 28. Separately Metered Commercial Space & Water Heating Rider (SMWHR)

## ARKANSAS PUBLIC SERVICE COMMISSION

6<sup>th</sup> Revised

Sheet No. TC-5

Schedule Sheet 5 of 6

Replacing: 5<sup>th</sup> Revised

Sheet No. TC-5

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric

Class of Service: All

TRA Docket No.: 08-00020

Effective: 3/4/08

### TABLE OF CONTENTS

PSC File Mark Only

<u>Class of Service</u>	<u>Rate Schedule No. and Title</u>	<u>Sheet Number</u>	
All	42. Grand Gulf Rider (GGR)	42.1	
All	43. Federal Litigation Consulting Fee Rider (FLCF)	43.1	
All	44. RESERVED FOR FUTURE USE	44.1	
Commercial/Industrial	45. Experimental Market Valued Energy Reduction Service (MVER)	45.1	
Commercial/Industrial	46. Experimental Energy Reduction Service Rider (EER)	46.1	
All	47. RESERVED FOR FUTURE USE	47.1	
All	48. Production Cost Allocation Rider (PCA)	48.1	
All	49. Capacity Acquisition Rider (CA)	49.1	(CT)
All	50. RESERVED FOR FUTURE USE	50.1	
All	51. RESERVED FOR FUTURE USE	51.1	
All	52. RESERVED FOR FUTURE USE	52.1	
All	53. RESERVED FOR FUTURE USE	53.1	
As Applicable	60. Extension Of Facilities (EOFP)	60.1	
As Applicable	61. Tariff Governing the Installation of Electric Underground Residential Distribution Systems and Underground Service Connections (UGP)	61.1	