Entergy Arkansas, Inc.
Regulatory Affairs
425 West Capitol Avenue
P. O. Box 551
Little Rock, AR 72203-0551
Tel 501 377 4000

VIA OVERNIGHT MAIL

October 16, 2008

Ms. Darlene Standley
Chief, Utility Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Tennessee Regulatory Authority Docket No. 2008-00201
Entergy Arkansas, Inc.'s Proposed Storm Damage Rider

Dear Ms. Standley:

Attached are the original and 13 copies of Entergy Arkansas, Inc.'s (EAI) October 15, 2008 filing before the Arkansas Public Service Commission (APSC) in Docket No. 08-149-U seeking approval of its storm restoration costs in excess of the amount of storm damage expenses embedded in EAI's base rates that EAI is requesting to defer in a regulatory asset and recover through the proposed Storm Damage Rider (Rider SDR). Supporting testimonies of EAI witnesses J. David Wright, Oscar D. Washington, and S. Brady Aldy are also attached.

Also included in the APSC filing were the original and 13 copies of revisions to the Table of Contents Sheet No. TC-5 and Rate Schedule No. 17, Table of Riders Applicable to Rate Schedules, Sheet No. 17.1 revised to reflect the addition of Rider SDR.

The purpose of this letter is to request you file EAI's proposed Rider SDR and revised tariff sheets related to the addition of Rider SDR with the Tennessee Regulatory Authority (TRA) for its acknowledgement and approval. The required $25.00 filing fee is attached.

When the APSC General Staff files its testimony, it will be forwarded to you. Upon issuance of the APSC order, it will also be immediately forwarded to complete EAI's request under consideration by the TRA.

EAI's enclosed tariff sheets reflect the requested effective date of December 31, 2008 (the beginning of the first billing cycle in January 2009). EAI is requesting the thirty day (30) notice required in TRA Rule 1220-4-1-.04 be waived to allow EAI to place Rider SDR in effect for Arkansas retail customers residing in Tennessee concurrent with the effective date established in the APSC's final order for proposed Rider SDR and revised sheets TC-5 and 17.1.

Should you have any questions concerning this filing, please call me at 501-377-4338.

Sincerely,

David E. Hunt

David E. Hunt, Manager
Arkansas Regulatory Affairs

DEH/tj
Attachments

50.0 STORM DAMAGE RIDER

(NR)

50.1 PURPOSE

The Storm Damage Rider, ("Rider SDR"), defines the procedure to recover from EAI's retail customers, the retail allocation of the operation and maintenance ("O&M") storm restoration expenses attributable to weather-related events that occurred during the calendar year of 2008 that exceeded the annual normalized storm costs included in base rates for Entergy Arkansas, Inc. ("EAI" or "Company") as approved in Docket No. 06-101-U.

50.2 APPLICATION

Rider SDR is applicable to all electric service billed under EAI's rate schedules whether metered or unmetered, and subject to the jurisdiction of the Arkansas Public Service Commission ("APSC or Commission"). Rider SDR costs will be accumulated by function and then allocated based on the functional revenue requirement derived from EAI's compliance cost of service filed in Docket No. 06-101-U.

50.3 STORM DAMAGE RIDER RATES

Rider SDR will consist of cents per kWh rate adjustments applied monthly to each account by rate class ("SDR Rates"). The amount of total O&M storm costs above the annual normalized storm costs included in base rates for 2008 will be accumulated by function and allocated based on the method described above in Section 50.2. SDR Rates will be calculated for each rate class by using the projected energy sales (kWh) for the 12 month period of January 2009 through December 2009. The SDR Rates will remain in effect until all storm costs, plus associated carrying charges, are collected. EAI shall monitor the amounts collected pursuant to this Rider to ensure that the sum of the total O&M storm costs collected from ratepayers does not exceed the total sum of actual approved storm costs. If the approved O&M storm cost amount for any rate class is recovered prior to the end of the recovery period, EAI shall cease collection from such class. The over recovery at the end of the recovery period shall be refunded through Rate Schedule No. 38, Energy Cost Recovery Rider, as a credit to overall fuel expense. The SDR Rates may be revised to reflect adjustments from the audit of the APSC Staff, updated year end storm restoration costs from EAI, and excess earnings, if any, from the earnings analysis for the 2008 test year. A carrying charge will be calculated on the monthly deferred storm damage expense balance at the most recently approved before tax rate of return on rate base.

A. **INITIAL RATES** (NR)

The SDR Rates will initially be determined based on the actual EAI O&M storm costs recorded on EAI's books through September 30, 2008, including accruals for storm restoration costs associated with Hurricanes Gustav and Ike. The amounts above the amount allowed in EAI's base rates will be allocated by function to determine the amount to be recovered from each rate class. The projected energy sales (kWh) for the 12-month period of January 2009 through December 2009 will be used to calculate the SDR Rates for each rate class. The initial SDR Rates will be implemented with the first billing cycle of January of 2009.

B. **REVISED RATES**

The initial SDR Rates will be redetermined based on the combined findings of 1) EAI's year-end update of actual storm costs for the last three months of 2008, 2) the APSC Staff's audit of 2008 storm costs, and 3) EAI's 2008 earnings analysis. A final order will be issued by the APSC no later than June 15, 2009 identifying any changes that need to be made to the initial SDR Rates. The remaining uncollected balance of deferred O&M storm costs, plus associated carrying charges, will be collected over the final six months of 2009 using the projected energy sales (kWh) for that 6-month period. The redetermined SDR Rates will be implemented with the first billing cycle of July of 2009.

50.4 APSC AUDIT OF DEFERRED STORM DAMAGE COSTS

EAI will submit all storm invoices and documents requested by the APSC Staff for audit purposes no later than February 15, 2009, except for invoices related to any major December weather events, which could require additional time to process. These documents can be requested and submitted in phases in order to expedite the audit process. No later than April 1, 2009, the APSC Staff shall complete and file a report based on its investigation, analysis and audit of EAI's 2008 deferred O&M storm damage expenses. EAI shall have until April 30, 2009 to review the proposed audit adjustments. EAI and the APSC Staff shall have until May 15, 2009 to resolve any differences. EAI and the APSC Staff shall file testimony concerning any amounts that remain in dispute by May 30, 2009. The audit dispute resolution procedure would follow the same procedural schedule as the dispute resolution for the earnings analysis process discussed below in Section 50.5.

50.5 EARNINGS ANALYSIS OF TEST YEAR 2008 (NR)

On or before April 1, 2009, EAI shall file an earnings analysis for test year 2008. The APSC Staff and any intervenors will have until April 30, 2009 to verify and notify EAI of any necessary corrections to the filing. The parties will attempt to reach resolution on disputed issues by May 15, 2009. EAI and the APSC Staff will file testimony concerning the amounts that remain in dispute by May 30, 2009. The disputed issues arising out of the audit and earnings analysis by the APSC Staff and intervenors are to be resolved by the Commission after notice and hearing by June 15, 2009. Excess earnings, up to the amount of deferred O&M storm costs, identified by the earnings test shall be used to reduce the original deferred O&M storm cost balance. If the earnings test reveals no excess earnings, the SDR Rates will not be adjusted as a result of the 2008 earnings analysis.

50.6 TERM

The SDR Rate for individual rate classes shall become effective with the first billing cycle of January of 2009 and shall remain in effect until all deferred O&M storm costs, plus associated carrying charges, have been billed to that rate class.

ATTACHMENT A

(NR)

RIDER SDR RATES

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

Rate Class	Rate Schedules	Rate Adjustment
Residential	RS, RT	$0.00185 per kWh
Small General Service	SGS,GFS, L2, MP, AP, CGS CTV, SMWHR	$0.00161per kWh
Large General Service	LGS, LPS, GST PST, SSR	$0.00056 per kWh
Lighting	L1, L1SH, L4	$0.00105 per kWh

Note: Refer to work papers for functional allocation of costs by each rate class.

TABLE OF CONTENTS

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)
50. Storm Damage Rider (SDR) (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)

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 - 149 - U

PETITION FOR AN ACCOUNTING ORDER AUTHORIZING A
REGULATORY ASSET AND STORM DAMAGE RIDER

COMES NOW Entergy Arkansas, Inc. ("EAI" or the "Company"), and for its Petition for an Accounting Order Authorizing a Regulatory Asset and Storm Damage Rider, states:

DESCRIPTION OF THE COMPANY

1. The Company is a corporation organized and existing under the laws of the State of Arkansas, and is a public utility, as defined by Ark. Code Ann. § 23-1-101 et seq., subject to the jurisdiction of the Arkansas Public Service Commission ("APSC" or the "Commission"). The Company's principal place of business is located at the Metropolitan National Bank Building, 425 West Capitol Avenue, Little Rock, Arkansas 72201. A copy of the Company's Agreement of Consolidation of Merger (Articles of Incorporation) is on file with the APSC and is hereby incorporated by reference.

2. The Company's property consists of facilities for the generation, transmission, and distribution of electric power and energy to retail and wholesale customers. These facilities are located principally in the State of Arkansas. As of December 31, 2007, the Company provided retail electrical service subject to the jurisdiction of the Commission to a total of customers. Of these customers, 576,884 were residential; 85,948 were commercial; 21,889 were industrial; and 681 were public agencies, institutions, or others.

3. EAI owns or operates two nuclear generating units, four coal-fueled generating units, two hydroelectric plants, five large oil- and natural gas-fueled steam electric generation stations, one natural gas-fueled combined cycle gas turbine generating facility and one diesel electric unit, for a total owned generating capacity of approximately 4,783 MW. In addition, EAI purchases 410 MW under a long-term power purchase agreement from the Grand Gulf Nuclear Station in Mississippi. EAI also owns and operates approximately 936 circuit miles of extra high voltage ("EHV") transmission lines of 345 kV or greater; 258 circuit miles of transmission lines of 230 kV; 3,602 circuit miles of transmission lines of 161 kV and lower; transmission substations, distribution substations, and associated facilities necessary to provide electric service.

JURISDICTION AND RELIEF REQUESTED

4. This Petition is filed pursuant to Ark. Code Ann. § 23-2-306 and § 23-2-304(a)(7)(A) and Section 4 of the Commission's Rules of Practice and Procedure.

5. In its Consolidated Order in Docket Nos. 07-129-U, 06-152-U, 06-101-U, and 04-023-U issued December 21, 2007 (hereinafter the "Consolidated Order"), the Commission recognized EAI's statutory obligation to restore electric service as expeditiously as possible, and, noted that, assuming "normal weather," EAI should have included within existing rates enough funds to compensate the Company for any "normal" storm restoration costs it may incur. *See* Consolidated Order at 13 (citing APSC Special Rule-Electric Rule 4.01(A)(1) and 4.01(B)). But if the Company experiences a severe storm-related outage in its service area as it did in the winter of 2000-2001 with the crippling ice storms, "the Commission recognize[d] that the Company may experience 'extraordinary' storm restoration costs." *Id.* "Extraordinary" storm costs are not comprehended within the Company's existing rates. *Id.* Thus, the Commission stated that it is "open to the consideration of alternative 'extraordinary' storm restoration cost methodologies that are both fair and reasonable to ratepayers and in the public interest as determined by the Commission." Consolidated Order at 14.

Based on this invitation by the Commission, EAI is hereby requesting that the Commission issue an order authorizing the establishment of a regulatory asset to defer costs associated with extraordinary storm restoration costs incurred in 2008 that exceed the level of storm restoration costs provided by EAI's base rates and to recover such costs through the proposed Storm Damage Rider ("Rider SDR"). Recovery of such costs would be subject to audit and an earnings review similar to the procedure approved by the

Commission in Docket No. 96-360-U with any over-earnings to be applied to the deferral balance.

2008 STORM ACTIVITY

6. In 2008, EAI experienced in its service territory an unusually high number of weather events, including high winds, tornados, ice and snow, and the aftermath of Hurricanes Gustav and Ike, causing widespread outages to hundreds of thousands of EAI customers and extensive damage to the Company's electric facilities. These storms downed or damaged significant portions of the Company's transmission and distribution lines; steel, concrete and wood structures; substations; transformers; and other equipment. Both the frequency and magnitude of weather events thus far in 2008 is considerably more than EAI customers have experienced in previous years. Through September of this year, there have been nine weather events that have caused significant damage to the Company's facilities, resulting in widespread outages; these nine weather events caused outages to more than 540,208 combined customers.

The cumulative impact of these storms caused EAI to incur extraordinary storm restoration costs significantly above the amount recovered through base rates. The direct testimony and exhibit of EAI witness S. Brady Aldy describes in detail the 2008 weather events that affected EAI's service territory, the type of damages that the Company suffered as a result of these storms, the efforts that EAI took to repair the damage and to restore service to its customers, and how EAI manages its costs during storm restoration efforts.

DESCRIPTION OF STORM RESTORATION COSTS

7. In Order No. 10 in Docket No. 06-101-U, $14.449 million of operation and maintenance ("O&M") storm costs was included in base rates to compensate EAI for normal storm restoration costs. The costs EAI seeks to defer and recover through Rider SDR include O&M costs that the Company incurred as a result of the 2008 storms in excess of the $14.449 million allowed in base rates. As of September 30, 2008, EAI has incurred $40.744 million of O&M storm restoration costs. This amount is $26.295 million above the amount included in base rates. Capital costs incurred for the replacement of facilities damaged by the storms are not included as part of the extraordinary storm-related costs.

These O&M storm restoration costs include securing the extensive resources necessary to repair facilities and restore service in a safe and efficient manner. For each major weather event, EAI mobilized personnel for staging, logistics and storm support roles as well as securing additional linemen, servicemen, and tree trimmers from other states to expedite the storm restoration. For restoration following Hurricanes Gustav and Ike, securing additional resources was even more challenging as neighboring service territories were also severely affected and required additional resources.

Because this Petition only includes costs incurred through September 30, 2008, EAI plans to file an update of the deferred storm restoration expenses incurred through December 31, 2008 and true up any accrued expenses following the year-end closing.

ACCOUNTING TREATMENT

8. EAI is seeking to record a regulatory asset for the Arkansas retail portion of O&M storm costs that exceed the $14.449 million included in base rates for the calendar year 2008. As of September 30, 2008, this excess amount is $26.295 million of which $25.834 million is the retail portion before the calculation of carrying charges. This excess would be recorded in a specific subaccount of Federal Energy Regulatory Commission ("FERC") major account 182.3, Other Regulatory Assets. The storm restoration costs would be accumulated in this subaccount and would be amortized as the costs are recovered through Rider SDR, more fully discussed below.

This extraordinary level of expenses is above the level contemplated in establishment of base rates in Docket No. 06-101-U. Recognition of the regulatory asset related to these extraordinary expenses in 2008 will prevent the negative impact on EAI earnings that would otherwise result. This accounting treatment is necessary to match the expensing of storm costs through the amortization of the regulatory asset with the revenue recovered through Rider SDR. Additionally, recovery of this extraordinary level of expenses is important to demonstrate timely recoverability of storm restoration costs and to avoid deterioration of cash flow credit metrics. The proposed accounting treatment is further described in the direct testimony of EAI witness J. David Wright.

STORM DAMAGE RIDER

9. Rider SDR defines the procedure to recover the Arkansas retail portion of O&M expenses attributable to the 2008 weather-related events that exceed the annual normalized storm costs approved for recovery in base rates. Rider SDR establishes a rate (the "SDR Rate") to recover the deferred storm restoration costs over a twelve-month period, effective the first billing cycle of January 2009. The initial SDR Rate is based on storm restoration costs recorded on EAI's books through September 2008 plus the accrued amounts for expenses related to Hurricanes Gustav and Ike service restoration. Rider SDR would apply to all retail customer rate classes and the applicable rate schedules. Carrying charges will be based on the before-tax rate-of-return-on-rate-base approved in Docket No. 06-101-U, which represents the Company's overall cost of money.

Rider SDR also provides for the audit of storm costs and earning analysis that will be conducted for the year 2008 to determine the amount of excess storm costs to be recovered. EAI would begin to submit all storm invoices and documents requested by the APSC General Staff ("Staff") for audit of the 2008 storm costs as they become available following the approval of the initial deferral of storm restoration costs. Discovery requests for invoices related to the audit of storm restoration costs should be completed no later than February 15, 2009, except for invoices related to major December weather events which may require additional time to process. The Rider SDR schedule calls for the audit to be completed no later than April 1, 2009.

The Company projects that it will not earn in excess of its allowed return in 2008, and will therefore have no excess earnings to offset extraordinary storm

costs. EAI would file an earnings analysis using a methodology similar to the Regulatory Earnings Review Tariff approved in Docket No. 96-360-U on or about April 1, 2009. The Staff and any intervenors would have the opportunity to verify the filing, and the parties would attempt to reach resolution on any disputed issues by May 15, 2009. For any unresolved issues, the parties would file testimony concerning such amounts by May 30, 2009. The disputed amounts would then be resolved by the Commission, after notice and a hearing, no later than June 15, 2009. EAI would then produce a revised earnings analysis based on the Commission's order and apply any earnings above the allowed return for EAI as an offset to the unrecovered balance of O&M storm restoration costs.

The initial SDR Rate would then be revised to reflect the update to storm restoration costs incurred through December 31, 2008, adjustments made as a result of the Staff audit and any credit for excess earnings identified by the earnings analysis. The revised rate would begin with the first billing cycle in July 2009.

The initial SDR Rate would result in an increase in EAI's base rate revenues of approximately 2.9%. The bill for a typical residential customer using 1,000 kWh/month of $111.21 would increase by $1.85 per month or an increase of 1.7%.

Rider SDR is described in the testimony and exhibits of EAI witness Oscar D. Washington.

TIMING

10. EAI is requesting the APSC issue an order by December 23, 2008 authorizing the establishment of a deferral for the Arkansas retail portion of the Company's 2008 O&M storm restoration costs in excess of the amount included in base rates. In order to meet requirements of the Company's auditors, EAI requests resolution of this Petition by December 23, 2008 so that it may begin recovering such costs in the first billing cycle in January 2009. The Company, therefore, recommends the Commission adopt the following procedural schedule:

Procedural Schedule

Direct Testimony by the Staff and Intervenors	Nov. 12, 2008, by Noon
Rebuttal Testimony by EAI	Dec. 3, 2008, by Noon
Hearing	Dec. 10, 2008

WITNESSES

11. The Direct Testimonies and Exhibits of S. Brady Aldy, J. David Wright, and Oscar D. Washington are filed in support of this Petition.

SERVICE LIST

12. EAI requests that the following individuals be included on the service list in this Docket:

Steven K. Strickland
Vice President, Regulatory Affairs - Arkansas
Entergy Arkansas, Inc.
P.O. Box 551
Little Rock, Arkansas 72203
Telephone: (501) 377-4457

Laura Raffaelli
Senior Counsel
Entergy Services, Inc.
P.O. Box 551
Little Rock, Arkansas 72203
Telephone: (501) 377-5876

WHEREFORE, EAI respectfully requests that the APSC issue an order by December 23, 2008 providing 1) approval to record a regulatory asset in a specific subaccount of FERC major account 182.3, Other Regulatory Assets for the Arkansas retail portion of O&M storm restoration expenses incurred during 2008 that exceed the level of storm restoration expenses included in EAI's base rates, with the understanding that such amount will be recoverable except to the extent that such amount may be adjusted after audit and earnings analysis; 2) approval of Rider SDR, including a) approval of the initial SDR Rate effective with the first billing cycle of January 2009 subject to revision in July 2009 to reflect adjustments as a result of the storm restoration audit, earnings analysis, and true up to actual costs, b) approval of the storm restoration audit process, and c) approval of the use of the Regulatory Earnings Review Tariff approved in Docket No. 96-360-U as the basis for the earnings analysis; 3) approval of the revised Table of Contents, Sheet No. TC-5 and the revised Rate Schedule No. 17, Table of Riders Applicable to Rate Schedules, Sheet No. 17.1; and for all other just and proper relief.

ENTERGY ARKANSAS, INC.

By: 
Laura Raffaelli

Senior Counsel
Entergy Services, Inc.
P. O. Box 551
Little Rock, AR 72203
Telephone: (501) 377-4372

ATTORNEY FOR ENTERGY ARKANSAS, INC.

DATED October 15, 2008

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 - 149 - U

DIRECT TESTIMONY

OF

OSCAR D. WASHINGTON

MANAGER OF REVENUE REQUIREMENTS AND ANALYSES

ENTERGY SERVICES, INC.

ON BEHALF OF

ENTERGY ARKANSAS, INC.

OCTOBER 15, 2008

I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, EMPLOYER AND JOB TITLE.

A. My name is Oscar D. Washington. My business address is 425 West Capitol, Little Rock, Arkansas 72201. I am employed by Entergy Services, Inc. ("ESI")[1] an affiliate of Entergy Arkansas, Inc. ("EAI" or the "Company") as Manager of Revenue Requirements and Analyses.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am submitting this Direct Testimony to the Arkansas Public Service Commission ("APSC" or the "Commission") on behalf of EAI.

Q. PLEASE STATE YOUR EDUCATION, PROFESSIONAL AND WORK EXPERIENCES.

A. I hold a Bachelor of Business Administration degree in accounting and a minor in mathematics from the University of Central Arkansas at Conway. I also have a Masters of Business Administration with an emphasis in finance from the University of Arkansas at Little Rock.

[1] ESI is a subsidiary of Entergy Corporation that provides technical and administrative services to all the Entergy Operating Companies.

I am a Certified Public Accountant in Arkansas and belong to the Arkansas Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

I joined Arkansas Power & Light Company (the predecessor to EAI) in September 1990 as a Staff Accountant in the Property Accounting Department. In that position, I was responsible for tracking and closing distribution plant assets to the books of the Company.

In 1993, I became a Customer Service Specialist, where I worked in the Resource Performance Department for ESI. In this role, I was a budget coordinator responsible for supporting the Customer Services Support Organization. These responsibilities included various functions such as training, maintenance of the budget system, financial analysis, variance reporting, and cost/benefit analysis.

In 1996, I became a Customer Service Manager for Ouachita Parish in West Monroe, Louisiana for Entergy Louisiana, LLC ("ELL"). I was responsible for managing various service-related issues with local customers while serving as the primary contact for ELL in that area.

In 1998, I became Customer Relations Manager for EAI. In this position, I worked very closely with the Consumer Services Department of the APSC to resolve customer issues. I also served as the overall "Logistics Coordinator" for EAI during all major storms.

In June of 2000, I became the Customer Service Center Manager for EAI, where I was responsible for EAI's call center, which provides day to day interaction with the Company's customers.

In October of 2006, I moved to ESI's Regulatory Planning & Support Department as a Regulatory Coordinator. My job duties include assisting in the preparation of periodic system filings and financial analysis, the development of cost of service studies, and the preparation of responses to regulatory data requests.

In September of 2008, I became ESI Manager of Revenue Requirements and Analyses. My new job duties include the financial analysis and preparation of cost of service studies, formula rate plans, new tariffs, as well as other filings requiring revenue requirement analysis for all the Entergy Operating Companies.[2]

Q. HAVE YOU PROVIDED EXPERT TESTIMONY BEFORE THIS COMMISSION PREVIOUSLY?

A. Yes. I have previously testified before the APSC in Docket No. 07-085-TF concerning EAI's request for approval of its Energy Efficiency Cost Rate Rider and in Docket No. 08-091-U concerning the filing of a joint storm damage rider on behalf of EAI, The Empire District Electric Company,

[2] The Entergy Operating Companies include EAI; Entergy Gulf States Louisiana, L.L.C.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc.

Oklahoma Gas & Electric Company, and Southwestern Electric Power Company.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to describe the proposed Rate Schedule No. 50, Storm Damage Rider ("Rider SDR"), which is attached as EAI Exhibit ODW-1, including Attachment A. The supporting work papers for the development of the Rider SDR rates are attached as EAI Exhibit ODW-2. In addition, the attached EAI Exhibit ODW-3 includes Table of Contents Sheet No. TC-5 and Rate Schedule No. 17, Table of Riders Applicable to Rate Schedules, Sheet No. 17.1, revised to reflect the addition of Rider SDR.

II. STORM DAMAGE RIDER

A. Overview

Q. WHAT IS THE PURPOSE OF RIDER SDR?

A. The purpose of the proposed Rider SDR is to recover the retail portion of operation and maintenance ("O&M") storm restoration expenses associated with weather-related events that occurred during the calendar year of 2008 that exceeded EAI's annual normalized level of storm costs included in base rates. As described in the direct testimony of EAI witness J. David Wright, EAI is requesting approval to record this excess storm restoration expense in a regulatory asset and amortize the costs as they are recovered through Rider SDR.

Q. PLEASE PROVIDE AN OVERVIEW OF RIDER SDR.

A. Rider SDR establishes a rate (the "SDR Rate") to recover the retail portion of the deferred O&M storm restoration costs over a 12-month recovery period. The SDR Rate would become effective the first billing cycle of January of 2009 and remain in effect through the end of 2009 or until all storm costs plus associated carrying charges are collected.

The initial SDR Rate would be based on the retail portion of the excess total O&M storm restoration costs recorded on EAI's books through September 2008, including accruals for storm restoration costs associated with Hurricanes Gustav and Ike. Per Company witness Mr. Wright, this excess amount is $26,295,085 of which $25,833,636 is

the retail portion before the calculation of carrying charges. The initial SDR Rate would result in an increase in EAI's base rate revenues of approximately 2.9%. The bill for a typical residential customer using 1,000 kWh/month of $111.21 would increase by $1.85 per month or an increase of 1.7%.

Rider SDR also includes provisions for an update of EAI's storm restoration costs to reflect actual costs incurred through December 31, 2008, an audit of EAI's 2008 O&M storm restoration costs by the APSC General Staff, an earnings analysis of EAI's 2008 earnings, and the revision to the SDR Rate to reflect the associated adjustments to the recovery amount.

Q. WHEN DOES EAI REQUEST THAT THE COMMISSION ISSUE AN ORDER CONCERNING EAI'S REQUEST FOR DEFERRAL OF STORM COSTS AND APPROVAL OF THE STORM DAMAGE RIDER?

A. EAI requests that the Commission approve a procedural schedule that would allow resolution of this proceeding, including approval of the regulatory asset and Rider SDR in a timely fashion, but no later than December 23, 2008, so that the implementation of the initial SDR Rate can be implemented effective with the first billing cycle of January of 2009.

B. Rate Design

Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE SDR RATE MECHANISM.

A. The SDR Rate would be a cents per kWh rate charge applied monthly to each account by rate class. The SDR Rate would be based on the retail portion of the 2008 O&M storm costs in excess of the amount included in EAI's base rates and deferred in a regulatory asset as described in the direct testimony of Mr. Wright. The retail portion of the O&M storm costs would be accumulated by function and allocated to the various rate classes based upon the functional revenue requirement derived from EAI's compliance cost of service filed in Docket No. 06-101-U. The allocated costs for each function would be summed and divided by the projected energy sales (kWh) for the 12 month period of January 2009 through December 2009 to determine the SDR Rate by rate class.

Q. TO WHAT RATE CLASSES AND APPLICABLE RATE SCHEDULES WOULD RIDER SDR APPLY?

A. Rider SDR would apply to all retail customer rate classes and the applicable rate schedules.

Q. WHY DID THE COMPANY ALLOCATE STORM DAMAGE COST TO ALL RATE CLASSES?

A. The allocation of storm costs approved in Docket No. 06-101-U was based on the premise that storm costs are widespread and indiscriminate and therefore properly allocated to all rate classes.

Q. DOES THE STORM DAMAGE RIDER RECOGNIZE THE COMPANY'S TIME VALUE OF MONEY ASSOCIATED WITH THE DEFERRED STORM COSTS?

A. Yes. A carrying charge would be calculated on the monthly deferred storm damage expense balance at the most recently approved before-tax rate-of-return-on-rate-base.

Q. PLEASE DESCRIBE THE PROCESS TO DETERMINE THE FINAL SDR RATE.

A. After the initial SDR Rate is implemented, there would be a one-time revision made to the SDR Rate based on EAI's update of actual storm costs, including the last three months of 2008, an audit of 2008 storm costs by the APSC General Staff, and an earnings analysis of EAI for the 2008 calendar year. These processes and the proposed procedural schedules are discussed below. Once all three of these events have taken place, a final order would be issued by the APSC no later than June 15, 2009 identifying any adjustments that need to be made to the deferred O&M storm costs. The remaining uncollected balance of the retail portion of the deferred O&M storm costs would be collected over the

final six months of 2009 using the projected energy sales (kWh) for that 6-month period. EAI would file compliance rates reflecting the adjusted deferred storm costs. Approval by the Commission would be needed by June 25, 2009 to enable the Company to implement the revised rate effective with the first billing cycle in July of 2009.

Q. WHEN WOULD THE STORM DAMAGE RIDER BE TERMINATED?

A. Rider SDR would be in effect until the approved deferred storm cost balance by rate class had been billed. If the deferred storm cost balance for any rate class is recovered prior to the end of the 12-month recovery period, the Company would cease collection from that class. Any over recovery at the end of the recovery period would be refunded through the Company's Energy Cost Recovery Rider as a credit to overall fuel expense.

Q. PLEASE DESCRIBE ANY AUDITING PROVISIONS ASSOCIATED WITH RIDER SDR.

A. EAI would begin to submit storm invoices as requested by the Staff for audit of the 2008 storm costs as they become available. Discovery requests for invoices related to the audit of storm restoration costs should be completed no later than February 15, 2009, except for invoices related to any major December weather events, which could require additional time to process. EAI would submit the invoices in phases to expedite the

audit process. The Company proposes that the APSC Staff complete its audit of the storm restoration costs and file a report of any proposed adjustments no later than April 1, 2009. EAI would have until April 30, 2009 to review the proposed audit adjustments. EAI and the APSC Staff would attempt to reach agreement on contested adjustments by May 15, 2009. EAI and Staff would file testimony concerning amounts that remain in dispute by May 30, 2009. This audit dispute resolution procedure would follow the same procedural schedule as the dispute resolution for the earnings analysis process discussed below.

Q. PLEASE DESCRIBE HOW THE EARNINGS ANALYSIS COINCIDES WITH RIDER SDR.

A. The earnings analysis for 2008 would be filed by the Company on April 1, 2009. The Staff and any intervenors would have until April 30, 2009 to verify and notify the Company of any necessary corrections in the filing. The parties would attempt to reach resolution on the disputed issues by May 15, 2009. EAI and Staff would file testimony concerning amounts that remain in dispute by May 30, 2009. Any disputed issues arising out of the review of the earnings analysis by the Staff and intervenors, and the disputed storm cost audit adjustments discussed above, are to be resolved by the Commission after notice and hearing by June 15, 2009.

If the earnings test identifies excess earnings, the excess earnings would be used to reduce the deferred storm balance. The results of the

earnings analysis, the audit, and the Company's year end true up of actual storm costs would be used to determine a revised SDR Rate. EAI would file a revised SDR Rate for approval by the Commission by June 25, 2009, such that the new rate would be implemented effective with the first billing cycle in July of 2009.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 -_____ - U

EAI EXHIBIT ODW-1

RATE SCHEDULE NO. 50

STORM DAMAGE RIDER

50.0 STORM DAMAGE RIDER (NR)

50.1 PURPOSE

The Storm Damage Rider, ("Rider SDR"), defines the procedure to recover from EAI's retail customers, the retail allocation of the operation and maintenance ("O&M") storm restoration expenses attributable to weather-related events that occurred during the calendar year of 2008 that exceeded the annual normalized storm costs included in base rates for Entergy Arkansas, Inc. ("EAI" or "Company") as approved in Docket No. 06-101-U.

50.2 APPLICATION

Rider SDR is applicable to all electric service billed under EAI's rate schedules whether metered or unmetered, and subject to the jurisdiction of the Arkansas Public Service Commission ("APSC or Commission"). Rider SDR costs will be accumulated by function and then allocated based on the functional revenue requirement derived from EAI's compliance cost of service filed in Docket No. 06-101-U.

50.3 STORM DAMAGE RIDER RATES

Rider SDR will consist of cents per kWh rate adjustments applied monthly to each account by rate class ("SDR Rates"). The amount of total O&M storm costs above the annual normalized storm costs included in base rates for 2008 will be accumulated by function and allocated based on the method described above in Section 50.2. SDR Rates will be calculated for each rate class by using the projected energy sales (kWh) for the 12 month period of January 2009 through December 2009. The SDR Rates will remain in effect until all storm costs, plus associated carrying charges, are collected. EAI shall monitor the amounts collected pursuant to this Rider to ensure that the sum of the total O&M storm costs collected from ratepayers does not exceed the total sum of actual approved storm costs. If the approved O&M storm cost amount for any rate class is recovered prior to the end of the recovery period, EAI shall cease collection from such class. The over recovery at the end of the recovery period shall be refunded through Rate Schedule No. 38, Energy Cost Recovery Rider, as a credit to overall fuel expense. The SDR Rates may be revised to reflect adjustments from the audit of the APSC Staff, updated year end storm restoration costs from EAI, and excess earnings, if any, from the earnings analysis for the 2008 test year. A carrying charge will be calculated on the monthly deferred storm damage expense balance at the most recently approved before tax rate of return on rate base.

A. **INITIAL RATES** (NR)

The SDR Rates will initially be determined based on the actual EAI O&M storm costs recorded on EAI's books through September 30, 2008, including accruals for storm restoration costs associated with Hurricanes Gustav and Ike. The amounts above the amount allowed in EAI's base rates will be allocated by function to determine the amount to be recovered from each rate class. The projected energy sales (kWh) for the 12-month period of January 2009 through December 2009 will be used to calculate the SDR Rates for each rate class. The initial SDR Rates will be implemented with the first billing cycle of January of 2009.

B. **REVISED RATES**

The initial SDR Rates will be redetermined based on the combined findings of 1) EAI's year-end update of actual storm costs for the last three months of 2008, 2) the APSC Staff's audit of 2008 storm costs, and 3) EAI's 2008 earnings analysis. A final order will be issued by the APSC no later than June 15, 2009 identifying any changes that need to be made to the initial SDR Rates. The remaining uncollected balance of deferred O&M storm costs, plus associated carrying charges, will be collected over the final six months of 2009 using the projected energy sales (kWh) for that 6-month period. The redetermined SDR Rates will be implemented with the first billing cycle of July of 2009.

50.4 APSC AUDIT OF DEFERRED STORM DAMAGE COSTS

EAI will submit all storm invoices and documents requested by the APSC Staff for audit purposes no later than February 15, 2009, except for invoices related to any major December weather events, which could require additional time to process. These documents can be requested and submitted in phases in order to expedite the audit process. No later than April 1, 2009, the APSC Staff shall complete and file a report based on its investigation, analysis and audit of EAI's 2008 deferred O&M storm damage expenses. EAI shall have until April 30, 2009 to review the proposed audit adjustments. EAI and the APSC Staff shall have until May 15, 2009 to resolve any differences. EAI and the APSC Staff shall file testimony concerning any amounts that remain in dispute by May 30, 2009. The audit dispute resolution procedure would follow the same procedural schedule as the dispute resolution for the earnings analysis process discussed below in Section 50.5.

50.5 EARNINGS ANALYSIS OF TEST YEAR 2008 (NR)

On or before April 1, 2009, EAI shall file an earnings analysis for test year 2008. The APSC Staff and any intervenors will have until April 30, 2009 to verify and notify EAI of any necessary corrections to the filing. The parties will attempt to reach resolution on disputed issues by May 15, 2009. EAI and the APSC Staff will file testimony concerning the amounts that remain in dispute by May 30, 2009. The disputed issues arising out of the audit and earnings analysis by the APSC Staff and intervenors are to be resolved by the Commission after notice and hearing by June 15, 2009. Excess earnings, up to the amount of deferred O&M storm costs, identified by the earnings test shall be used to reduce the original deferred O&M storm cost balance. If the earnings test reveals no excess earnings, the SDR Rates will not be adjusted as a result of the 2008 earnings analysis.

50.6 TERM

The SDR Rate for individual rate classes shall become effective with the first billing cycle of January of 2009 and shall remain in effect until all deferred O&M storm costs, plus associated carrying charges, have been billed to that rate class.

ATTACHMENT A

(NR)

RIDER SDR RATES

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

Rate Class	Rate Schedules	Rate Adjustment
Residential	RS, RT	$0.00185 per kWh
Small General Service	SGS,GFS, L2, MP, AP, CGS CTV, SMWHR	$0.00161per kWh
Large General Service	LGS, LPS, GST PST, SSR	$0.00056 per kWh
Lighting	L1, L1SH, L4	$0.00105 per kWh

Note: Refer to work papers for functional allocation of costs by each rate class.

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 -_____ - U

EAI EXHIBIT ODW-2

WORKPAPERS SUPPORTING RIDER SDR

Entergy Arkansas, Inc.
Storm Cost Recovery

Retail Storm Costs

$	1,346,818	X.3.B T Only
$	24,931,492	X.3.B D Only
$	16,775	X.3.B G Only

Line No.	Rate Class	Transmission Revenue Req. Alloc Fac (1)	X.3.B T Allocation	Distribution Revenue Req. Alloc Fac (2)	X.3.B D Allocation	Trans/Distr Revenue Req. Alloc Fac (3)	X.3.B G Allocation	Total	Estimated Carrying Costs	Total With Carrying Costs	MWh	Rate ($/kWh) (4)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Residential Service	0.30791	$ 414,704	0.53315	$13,292,220	0.47502	$ 7,968	$ 13,714,892	$ 578,968	$ 14,293,860	7,747,058	$ 0.00185
2	Small General Service	0.17012	$ 229,117	0.27070	$ 6,748,988	0.24474	$ 4,106	$ 6,982,210	$ 302,547	$ 7,284,756	4,532,955	$ 0.00161
3	Large General Service	0.26319	$ 354,463	0.18138	$ 4,522,083	0.20249	$ 3,397	$ 4,879,942	$ 211,561	$ 5,091,503	9,086,102	$ 0.00056
4	Lighting	0.00233	$ 3,139	0.01016	$ 253,315	0.00814	$ 137	$ 256,591	$ 11,015	$ 267,606	254,238	$ 0.00105
5	Total Retail	0.743547	$ 1,001,423	0.99539	$24,816,605	0.93039	$ 15,607	$ 25,833,636	$ 1,104,090	$ 26,937,726	21,620,353	
6	Wholesale	0.25645	$ 345,395	0.00461	$ 114,887	0.06961	$ 1,168	$ 461,449				
7	Total Company	1.00000	$ 1,346,818	1.00000	$24,931,492	1.00000	$ 16,775	$ 26,295,085				

(1) Unitized Transmission Revenue Requirement from Compliance COS
(2) Unitized Distribution and Customer Revenue Requirement from Compliance COS excluding Meter Reading and Customer Accounting
(3) Unitized Transmission, Distribution and Customer Revenue Requirement from Compliance COS excluding Meter Reading and Customer Accounting
(4) $/MWh/1000 with carrying costs

ENTERGY ARKANSAS, INC.
2008 STORM COSTS
As of September 30, 2008

FUNCTION	O&M COSTS	LESS ALLOWED COSTS	EXCESS COST TO RECOVER
TTL DISTRIBUTION	38,392,492	13,461,000	24,931,492
TOTAL TRANSMISSION	2,334,818	988,000	1,346,818
TOTAL GENERAL PLANT	16,775	-	16,775
Grand Total	40,744,085	14,449,000	26,295,085

ENTERGY ARKANSAS, INC.
BILLING DETERMINANT DEVELOPMENT
2008 STORM DAMAGE RATE RIDER (SDR)

Ln No		Development of Energy (kWh) Billing Determinant for all Rate Classes except LGS						
		Actual mWh (1)						Forecasted 2009
		2007	2006	2005	Total	Average	Ratios (%) (2)	kWh (3)
	Residential							
1	Residential	7,654,266	7,586,194	7,585,540	22,826,000	7,608,667	99.10%	7,747,058
2	Lighting	71,228	69,097	67,780	208,105	69,368	0.90%	70,630
3	**Total Residential**	**7,725,494**	**7,655,291**	**7,653,320**	**23,034,105**	**7,678,035**		**7,817,688**
	Commercial							
4	Small GS	3,230,249	3,158,403	3,138,852	9,527,504	3,175,835	54.47%	3,282,443
5	Large GS							
6	LG-NTOU	1,258,278	1,254,679	1,276,897	3,789,854	1,263,285		
7	LG-TOU	1,357,207	1,307,353	1,221,153	3,885,713	1,295,238		
8	Total Large GS	2,615,485	2,562,032	2,498,050	7,675,567	2,558,522	43.88%	2,644,408
9	Lighting	99,023	95,686	93,456	288,165	96,055	1.65%	99,279
10	**Total Commercial**	**5,944,757**	**5,816,121**	**5,730,358**	**17,491,236**	**5,830,412**		**6,026,130**
	Industrial							
11	Small GS	1,246,837	1,225,885	1,214,902	3,687,624	1,229,208	16.50%	1,236,617
12	Large GS							
13	LG-NTOU	1,321,348	1,368,148	1,347,224	4,036,720	1,345,573		
14	LG-TOU	4,840,825	4,978,035	4,756,612	14,575,472	4,858,491		
15	Total Large GS	6,162,173	6,346,183	6,103,836	18,612,192	6,204,064	83.29%	6,241,459
16	Lighting	15,334	15,120	14,915	45,369	15,123	0.20%	15,214
17	**Total Industrial**	**7,424,344**	**7,587,188**	**7,333,653**	**22,345,185**	**7,448,395**		**7,493,290**
	Govt & Muni							
18	Small GS (4)	13,553	12,337	15,198	41,088	13,696	4.91%	13,896
19	Large GS							
20	LG-NTOU	68,167	63,193	69,571	200,931	66,977		
21	LG-TOU	125,921	129,970	135,251	391,142	130,381		
22	Total Large GS	194,088	193,163	204,822	592,073	197,358	70.69%	200,235
23	Lighting	68,908	67,751	67,703	204,362	68,121	24.40%	69,114
24	**Total Govt & Muni**	**276,549**	**273,251**	**287,723**	**837,523**	**279,174**		**283,245**
25	**Total Retail**	**21,371,144**	**21,331,851**	**21,005,054**	**63,708,049**	**21,236,016**		**21,620,353**
	TOTAL BY RATE CLASS							**kWh**
26	Residential	7,654,266	7,586,194	7,585,540	22,826,000	7,608,667		7,747,058
27	Small Gen. Service	4,490,639	4,396,625	4,368,952	13,256,216	4,418,739		4,532,955
28	Large Gen. Service	8,971,746	9,101,378	8,806,708	26,879,832	8,959,944		9,086,102
29	Lighting	254,493	247,654	243,854	746,001	248,667		254,238
30	**Total Retail**	**21,371,144**	**21,331,851**	**21,005,054**	**63,708,049**	**21,236,016**		**21,620,353**
		Development of Demand (kW) Billing Determinant for LGS Rate Class					**Factor (5)**	**kW (6)**
	Large GS	2007	2006	2005	Total	Average		
31	LGS kW (1)	16,294,542	16,735,250	16,168,163	49,197,955	16,399,318		
32	Special Rate kW (1)	-	-	246,270	246,270	82,090		
33	**Total**	**16,294,542**	**16,735,250**	**16,414,433**	**49,444,225**	**16,481,408**	**1.84**	**16,713**

Notes: (1) All Historical Rate Class MWh and kW provided by Rate Administration. The last SRC expired in Aug. 2005.
(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
(4) In Docket No. 06-101-U Rate Code L2 was moved from Lighting to SGS. 2005 actual sales have been restated to reflect L2 on a basis consistent with 2006 and 2007.
(5) LGS 3 year average kW / 3 year average LGS MWh
(6) Forecasted LGS MWh * Factor derived from Historical results equals Forecasted kW for LGS Rate Class

Entergy Arkansas, Inc.
Functional Revenue Requirement
Test Year Ended June 30, 2006
(Thousands of Dollars)

	TOTAL COMPANY	TOTAL RETAIL	RESID	SGS	TOTAL LGS	TOTAL LIGHTING	TOTAL WHSL
Generation							
Demand	518,950	449,219	180,749	103,190	162,262	3,019	69,732
Energy	64,199	55,373	20,036	11,498	23,190	649	8,827
Total Generataion	583,150	504,592	200,785	114,688	185,451	3,667	78,558
Transmission							
High Voltage	38,122	26,819	11,106	6,136	9,493	84	11,303
Low Voltage	57,809	44,510	18,432	10,183	15,755	140	13,299
Total Transmission	95,930	71,329	29,538	16,319	25,247	224	24,602
	100.000%	74.355%	30.791%	17.012%	26.319%	0.233%	25.645%
Distribution							
Substation	34,095	33,482	15,643	8,037	9,349	454	613
Lines Primary	98,265	97,643	45,619	23,437	27,263	1,323	622
Line Secondary	30,567	30,566	18,480	7,595	4,143	348	1
Line Transformer	56,280	56,279	34,026	13,984	7,628	641	1
Services	24,667	24,667	15,609	8,583	476	0	(0)
Meters	27,340	27,306	13,844	12,318	1,144	0	34
Customer	2,136	2,136	1,787	326	6	17	0
Total Distribution	273,349	272,079	145,007	74,280	50,009	2,783	1,271
Customer Services	2,403	2,403	2,010	367	7	19	0
Total Distribution/Customer Service	275,753	274,482	147,018	74,647	50,016	2,802	1,271
	100.000%	99.539%	53.315%	27.070%	18.138%	1.016%	0.461%
Total Transmission/Distribution/Customer Service	371,683	345,811	176,556	90,966	75,264	3,025	25,872
	100.000%	93.039%	47.502%	24.474%	20.249%	0.814%	6.961%
Street Lighting							
Roadway	13,636	13,636	0	0	0	13,636	0
Non-Roadway	2,899	2,899	0	0	0	2,899	-
Total Street Lighting	16,535	16,535	0	0	0	16,535	0
Customer Accounting/Meter Reading							
Customer Records	45,484	45,034	37,673	6,870	134	358	450
Meter Reading	6,692	6,691	4,286	2,257	148	0	1
Total Customer Accounting / Meter Reading	52,176	51,725	41,958	9,127	282	358	451
Total Revenue Requirement	1,023,544	918,663	419,300	214,781	260,997	23,585	104,882

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Entergy Arkansas, Inc.
Storm Damage Rider
Carrying Cost Calculation

	12 Month Total	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009
							Sales						
RESID	7,747,058	764,606	674,231	583,980	485,922	453,764	598,681	796,610	882,676	836,566	611,872	475,933	582,217
SGS	4,532,955	359,229	335,702	330,813	333,174	350,814	401,439	438,065	449,217	448,611	392,921	352,197	340,771
TOTAL LGS	9,086,102	710,751	690,872	678,321	687,160	709,487	788,711	846,932	863,965	863,409	796,420	744,872	705,202
TOTAL LIGHTING	254,238	21,664	19,857	18,933	18,093	18,311	21,670	24,820	26,262	25,586	21,350	18,465	19,226
TOTAL RETAIL	21,620,353	1,856,250	1,720,662	1,612,048	1,524,349	1,532,376	1,810,502	2,106,427	2,222,121	2,174,174	1,822,563	1,591,467	1,647,415
							Rate						
RESID		0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185
SGS		0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161
TOTAL LGS		0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056
TOTAL LIGHTING		0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105
							Revenue						
RESID	14,293,860	1,410,751	1,244,003	1,077,484	896,560	837,226	1,104,607	1,469,801	1,628,599	1,543,523	1,128,946	878,130	1,074,230
SGS	7,284,756	577,305	539,495	531,638	535,433	563,782	645,139	704,000	721,921	720,948	631,449	566,004	547,642
TOTAL LGS	5,091,503	398,277	387,138	380,105	385,058	397,569	441,964	474,588	484,133	483,821	446,283	417,398	395,168
TOTAL LIGHTING	267,606	22,803	20,901	19,929	19,044	19,273	22,810	26,125	27,643	26,932	22,473	19,436	20,237
TOTAL RETAIL	26,937,726	2,409,137	2,191,537	2,009,156	1,836,095	1,817,850	2,214,520	2,674,514	2,862,296	2,775,225	2,229,151	1,880,967	2,037,277
							Carrying Cost Balance						
RESID		13,714,892	12,392,488	11,228,313	10,223,158	9,392,453	8,615,730	7,566,622	6,145,563	4,556,552	3,042,380	1,933,033	1,067,355
SGS		6,982,210	6,449,882	5,951,934	5,458,637	4,958,366	4,426,525	3,809,900	3,130,442	2,428,686	1,723,383	1,103,035	544,137
TOTAL LGS		4,879,942	4,513,100	4,155,034	3,801,694	3,441,125	3,065,722	2,643,507	2,185,948	1,715,896	1,243,127	804,852	392,639
TOTAL LIGHTING		256,591	235,441	216,057	197,520	179,747	161,632	139,863	114,639	87,734	61,367	39,290	20,107
TOTAL RETAIL		25,833,636	23,590,910	21,551,338	19,681,008	17,971,691	16,269,608	14,159,892	11,576,591	8,788,868	6,070,258	3,880,210	2,024,237
							Carrying Costs						
RESID	578,968	88,347	79,828	72,329	65,854	60,503	55,500	48,742	39,588	29,352	19,598	12,452	6,876
SGS	302,547	44,977	41,548	38,340	35,163	31,940	28,514	24,542	20,165	15,645	11,101	7,105	3,505
TOTAL LGS	211,561	31,435	29,072	26,765	24,489	22,167	19,748	17,029	14,081	11,053	8,008	5,185	2,529
TOTAL LIGHTING	11,015	1,653	1,517	1,392	1,272	1,158	1,041	901	738	565	395	253	130
TOTAL RETAIL	1,104,090	166,412	151,965	138,827	126,778	115,768	104,803	91,213	74,573	56,615	39,103	24,995	13,039
BTRORB		0.00644167											

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Entergy Arkansas, Inc.

0908 PE	12 Month Total	2009 Jan	2009 Feb	2009 Mar	2009 Apr	2009 May	2009 Jun	2009 Jul	2009 Aug	2009 Sep	2009 Oct	2009 Nov	2009 Dec
Residential WA Sales	7,817,688	771,577	680,378	589,304	490,352	457,901	604,139	803,873	890,723	844,193	617,450	480,272	587,525
Commercial WA Sales	6,026,130	481,673	438,657	433,418	434,761	463,641	540,487	595,591	612,867	611,592	518,443	451,392	443,608
Industrial WA Sales	7,493,290	580,132	579,883	567,537	577,401	588,952	641,262	680,888	691,011	691,836	662,552	637,695	594,139
Governmental WA Sales	283,245	22,867	21,743	21,788	21,835	21,882	24,614	26,076	27,520	26,552	24,118	22,108	22,143
Total Retail Weather Adjusted Sales - MWh	21,620,353	1,856,250	1,720,662	1,612,048	1,524,349	1,532,376	1,810,502	2,106,427	2,222,121	2,174,174	1,822,563	1,591,467	1,647,415
Residential													
Residential	7,747,058	764,606	674,231	583,980	485,922	453,764	598,681	796,610	882,676	836,566	611,872	475,933	582,217
Lighting	70,630	6,971	6,147	5,324	4,430	4,137	5,458	7,263	8,047	7,627	5,578	4,339	5,308
Commercial													
Small GS	3,282,443	262,368	238,937	236,083	236,815	252,546	294,404	324,419	333,830	333,135	282,397	245,874	241,634
Large GS	2,644,408	211,370	192,493	190,194	190,783	203,457	237,178	261,359	268,940	268,381	227,505	198,081	194,666
Lighting	99,279	7,935	7,227	7,140	7,163	7,638	8,904	9,812	10,097	10,076	8,541	7,437	7,308
Industrial													
Small GS	1,236,617	95,739	95,698	93,661	95,288	97,195	105,827	112,367	114,037	114,174	109,341	105,239	98,051
Large GS	6,241,459	483,215	483,008	472,724	480,940	490,561	534,133	567,139	575,570	576,258	551,866	531,162	494,882
Lighting	15,214	1,178	1,177	1,152	1,172	1,196	1,302	1,382	1,403	1,405	1,345	1,295	1,206
Govt & Muni													
Small GS	13,896	1,122	1,067	1,069	1,071	1,074	1,208	1,279	1,350	1,303	1,183	1,085	1,086
Large GS	200,235	16,166	15,371	15,403	15,436	15,469	17,400	18,434	19,455	18,770	17,050	15,629	15,653
Lighting	69,114	5,580	5,305	5,316	5,328	5,339	6,006	6,363	6,715	6,479	5,885	5,395	5,403
Total by Rate Class													
Residential	7,747,058	764,606	674,231	583,980	485,922	453,764	598,681	796,610	882,676	836,566	611,872	475,933	582,217
Small General services	4,532,955	359,229	335,702	330,813	333,174	350,814	401,439	438,065	449,217	448,611	392,921	352,197	340,771
Large General services	9,086,102	710,751	690,872	678,321	687,160	709,487	788,711	846,932	863,965	863,409	796,420	744,872	705,202
Lighting	254,238	21,664	19,857	18,933	18,093	18,311	21,670	24,820	26,262	25,586	21,350	18,465	19,226
	21,620,353	1,856,250	1,720,662	1,612,048	1,524,349	1,532,376	1,810,502	2,106,427	2,222,121	2,174,174	1,822,563	1,591,467	1,647,415

EAI Exhibit ODW-2
Docket No. 08-____-U
Page 6 of 6

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 -_____ - U

EAI EXHIBIT ODW-3

REVISED TABLE OF CONTENTS, SHEET NO. TC-5

AND

RATE SCHEDULE NO. 17, TABLE OF RIDERS APPLICABLE TO RATE SCHEDULES, SHEET NO. 17.1

ARKANSAS PUBLIC SERVICE COMMISSION

7th Revised	Sheet No. TC-5	Schedule Sheet 5 of 6
Replacing: 6th Revised	Sheet No. TC-5	

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.:
Order No.:
Effective:

PSC File Mark Only

TABLE OF CONTENTS

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)
50. Storm Damage Rider (SDR) (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)

CERTIFICATE OF SERVICE

I, Steven K. Strickland, do hereby certify that a copy of the foregoing has been served upon all parties of record this 15th day of October, 2008.

Steven K. Strickland

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF)
ENTERGY ARKANSAS, INC. FOR AN)
ACCOUNTING ORDER AUTHORIZING) DOCKET NO. 08 - 149 - U
ESTABLISHMENT OF A REGULATORY)
ASSET AND STORM DAMAGE RIDER)

DIRECT TESTIMONY

OF

S. BRADY ALDY

DIRECTOR, DISTRIBUTION OPERATIONS

ENTERGY ARKANSAS, INC.

ON BEHALF OF

ENTERGY ARKANSAS, INC.

OCTOBER 15, 2008

I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is S. Brady Aldy. My business address is 9 Entergy Court, Little Rock, Arkansas. I am employed by Entergy Arkansas, Inc. ("EAI" or the "Company") as Director, Distribution Operations.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of EAI.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Science in Electrical Engineering from Mississippi State University and a Masters of Business Administration from Tulane University. I have worked in the electric utility industry for approximately 19 years in various front line and management positions within Distribution Engineering, Customer Service, and Distribution Operations.

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES AS DIRECTOR OF DISTRIBUTION OPERATIONS.

A. As Director of Distribution Operations, I have primary responsibility for the design, construction, maintenance and operations of EAI's electrical distribution system. This includes the development and implementation of

strategies to ensure EAI provides safe, reliable and cost effective service to our customers.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support the Company's request to defer in a regulatory asset the storm costs associated with 2008 service restoration efforts that exceed the normal level of service restoration costs allowed for recovery through EAI's base rates and the Storm Damage Rider that EAI has proposed to recover the deferred storm restoration costs. I will provide a summary of the weather events that have occurred thus far during 2008, the damage to the Company's distribution and transmission facilities that resulted from those weather events, and the Company's efforts to restore service to its customers. I will also provide a more detailed discussion of EAI's restoration efforts for Hurricanes Gustav and Ike. Finally, I will discuss the Company's procedures for storm restoration and describe the types of costs incurred during storm restoration.

II. SUMMARY OF EAI'S 2008 RESTORATION ACTIVITIES

A. Extreme Weather Events

Q. PLEASE DESCRIBE GENERALLY THE WEATHER EVENTS THAT AFFECTED EAI'S SERVICE TERRITORY DURING 2008.

A. EAI experienced a variety of weather events during 2008 including high winds, tornados, ice and snow, and hurricanes.

Q. HAS THE FREQUENCY AND MAGNITUDE OF WEATHER AND STORM RESTORATION BEEN EXTRAORDINARY IN 2008?

A. Yes. The restoration efforts due to weather events in 2008 have been extraordinary. The Company's electric facilities received significant damage from snowstorms, windstorms, thunderstorms, tornados, and tropical storms due to a much higher frequency and magnitude of weather events in 2008 than in recent years. From a customer outage count perspective, this is shown graphically in EAI Exhibit SBA-1, which includes tables depicting outages due to weather categorized as extraordinary storms over the years 2001 through 2008. These charts show the number and magnitude of outages EAI's customers experienced in 2008 is significantly more than in the other years.

More definitively, through September of this year, there have been nine weather events that have caused significant damage to EAI's electrical facilities and that have typically correlated to high customer

outages. These events, described in Table 1 below, have caused outages to more than 540,208 combined customers.

Table 1

2008 Significant Weather Events

Date	Peak Outages	Type
01/29/08	77,545	Windstorm
02/05/08	43,525	Thunderstorms and Tornados
03/07/08	30,185	Snowstorm
04/04/08	45,182	Thunderstorms and Tornados
05/02/08	6,800	Tornados
05/11/08	14,344	Tornados
06/01/08	47,627	Thunderstorms
09/03/08	96,000	Hurricane Gustav
09/14/08	179,000	Hurricane Ike
Totals	**540,208**	

B. Hurricane Gustav

Q. PLEASE DESCRIBE THE AFTERMATH OF HURRICANE GUSTAV.

A. After making landfall in Louisiana on September 1, 2008, Hurricane Gustav took an unexpected turn into Arkansas on September 2, 2008. The hurricane's center passed slowly through Arkansas, generating heavy rain and wind squalls that lingered over the state for two days. Much of

the Company's service area remained under a tornado watch throughout September 2, 2008.

The damage to EAI's service area caused by Hurricane Gustav was severe. The electric facilities damaged in EAI's service area included transmission and distribution lines, steel, concrete and wood structures/ poles, substations, transformers and other equipment. In the aftermath of this storm, EAI suffered 3 transmission structures damaged or destroyed, 20 transmission line sections down, 2 substations out of service, approximately 172 poles down, more than 305 cross arms stripped off poles, an estimated 717 spans of downed conductor, 182 damaged transformers, and significant damage to other equipment such as arrestors, switches, reclosers, and regulators. At its peak, there were 96,000 EAI customers without power in the Company's service area. Damage was most extensive in distribution networks serving the Little Rock, Hot Springs, and Malvern areas.

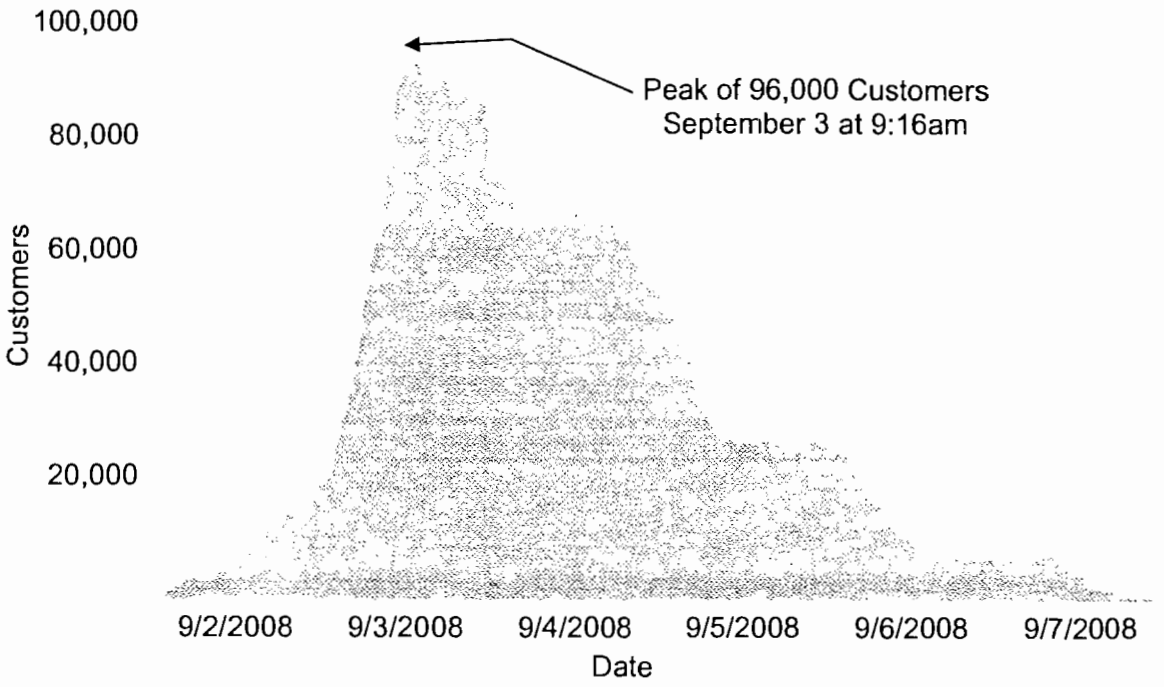
Q. PLEASE DESCRIBE THE RESTORATION EFFORT FOR HURRICANE GUSTAV.

A. After Hurricane Gustav made landfall September 1, 2008, the forecast models changed from a west–northwest track to show a more northern track that could significantly impact Arkansas. The Company began making plans to mobilize crews to restore electrical service as soon as possible after Hurricane Gustav passed and rain and wind diminished.

EAI crews that had been dispatched to the Gulf Coast in preparation for restoration activities returned to Arkansas on September 3, 2008 as the storm swept across Arkansas. That same day, EAI, working with the Entergy System Command Center, which is headquartered in Jackson, Mississippi, identified and diverted to Arkansas outside resources already en route to the Gulf Coast. Additionally, Company personnel began the damage assessment phase of EAI's disaster restoration plan as soon as the winds and thunderstorms diminished to a safe level. The assessment indicated that the Company's service area had sustained significant damage. Resources were distributed across the state, while the largest concentration was moved into the hardest hit areas of Little Rock, Hot Springs, and Malvern. Staging sites, where crews are fed, materials stored and vehicles parked and fueled were set up in those areas. These staging sites allow a more efficient and effective restoration effort, and minimize the resulting cost. The progress in restoring service to customers is depicted in Chart 1 below.

Chart 1

Hurricane Gustav Outages Over Time



All customers who were able to accept service were restored by September 7, 2008.

Q. WHAT RESOURCES DID THE COMPANY CALL UPON TO COMPLETE THIS RESTORATION EFFORT FOLLOWING HURRICANE GUSTAV?

A. The restoration effort required extensive resources to repair damage and restore service in a safe, efficient manner. The restoration team included 960 transmission and distribution tool workers, including 402 from EAI, 396 from utilities with mutual assistance agreements, and 162 contractors. In addition, 326 tree trimmer workers were mobilized to remove the

extensive tree damage from rights-of-way. Workers were brought in from the following states to assist in the restoration effort: Mississippi, Georgia, North Carolina, Texas, Indiana, Missouri, Michigan, Ohio, Kansas, Alabama, Connecticut, and Oklahoma. The number of tool workers and tree trimmers do not include the numerous support personnel who were involved in planning and directing the restoration effort, and providing logistical support to house and feed all who were involved in the effort.

C. Hurricane Ike

Q. PLEASE DESCRIBE THE IMPACT OF HURRICANE IKE ON EAI'S CUSTOMERS.

A. Just days after completing restoration due to Hurricane Gustav, Hurricane Ike made landfall on the Louisiana/Texas border. It arrived in Arkansas on September 13, 2008, as Tropical Storm Ike and was not downgraded to a Tropical Depression until it reached the northern third of the state. The result of the storm was additional extensive damage to trees and utility facilities, especially in distribution networks serving areas around Little Rock, Hot Springs, Magnolia, Malvern, Batesville, and Harrison.

On September 14, at the peak of the second wave of outages, 179,000 EAI customers were without electrical service, many of whom had also been affected by Hurricane Gustav. From the remnants of Hurricane Ike, the Company suffered 3 transmission structures damaged or destroyed, 9 transmission line sections down, approximately 540 poles

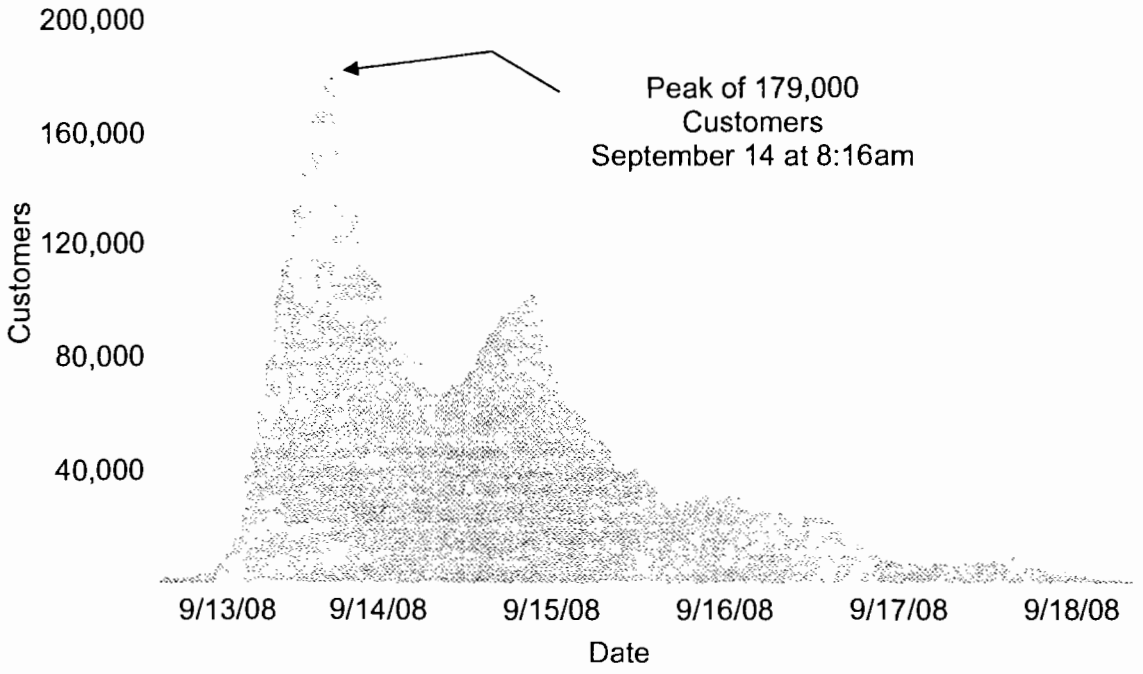
down, more than 460 broken cross arms, an estimated 1,168 spans of downed conductor, 210 damaged transformers, and significant damage to other equipment such as arrestors, switches, reclosers and regulators.

Q. PLEASE DESCRIBE THE RESTORATION EFFORT FOR HURRICANE IKE.

A. Based on weather reports predicting tropical storm force winds, EAI began mobilizing crews from within EAI September 13, 2008. We put plans into place to ensure that the entire EAI workforce would be in place to begin damage assessment and restoration early on Sunday, September 14, 2008, following the storm's passage through the state. The Company called upon other Entergy Operating Companies, as well as contractors and other utilities through the mutual assistance agreements. All customers who could accept service were restored by September 18, 2008. The progress of restoration is shown in Chart 2 below.

Chart 2

Hurricane Ike Outages Over Time



Q. WHAT RESOURCES DID THE COMPANY CALL UPON TO COMPLETE THIS RESTORATION EFFORT FOLLOWING HURRICANE IKE?

The restoration effort for Hurricane Ike also required extensive resources to repair damage and restore service in a short time period. The restoration force included more than 970 transmission and distribution tool workers, which were made up of 396 from EAI, 70 from other Entergy Operating Companies, 141 from utilities with mutual assistance agreements, and 363 contractors. In addition, 604 tree trimmer workers were called upon to remove the extensive tree damage from rights-of-way. Workers were brought in from the following states to assist in the restoration effort: Mississippi, North Carolina, Texas, Indiana, Missouri,

Michigan, Wisconsin, Kansas, Alabama, Minnesota, Colorado, and Oklahoma. Other support personnel were involved in planning and directing the restoration effort, and providing logistical support to house and feed the crews. Mobilization of outside crews was hampered because most of the potential resources were still engaged with Hurricane Gustav restoration efforts along the Gulf Coast, or were dealing with continuing restoration efforts following Hurricane Ike.

III. STORM RESTORATION PLANNING AND PREPARATION

Q. DOES EAI MAINTAIN AN EMERGENCY PLAN FOR RESTORATION IN THE EVENT OF A NATURAL DISASTER?

A. Yes. EAI maintains an Emergency Restoration Plan that addresses the management of any major event that would cause extensive outages to the system and customers, including natural disaster preparation. EAI conducts a formal Emergency Drill each year to rehearse the implementation of the plan and how to respond to events as they occur.

Q. WHAT ORGANIZATIONAL STRUCTURE IS IN PLACE TO COORDINATE RESTORATION?

A. EAI's Emergency Restoration Plan outlines EAI's organization roles and responsibilities to coordinate restoration within the System Command Center, Distribution Command Center, and the Customer Service

Command Center. Also included is a Network/Sub-Network Module that outlines EAI's network organization roles and responsibilities.

Q. PLEASE DESCRIBE THE EMERGENCY RESTORATION PROCESS.

A. EAI monitors the weather continuously. The Entergy System Outage Response Department subscribes to four weather forecasting services that provide a 36-hour prediction of possible weather events that could disrupt electrical service. When weather reports indicate potential trouble for significant power interruptions, the Emergency Restoration Plan is put into action. In such an event, EAI would activate its Emergency Command Center in Little Rock, which has the responsibility to manage and direct the restoration efforts within the state and coordinate resource needs with the Entergy System Outage Response Department. Transmission and distribution operations personnel and support functions would begin pre-storm preparations to ensure resources, materials, equipment and logistics support would be staged and ready. EAI coordinates and communicates with local officials and emergency organizations – as well as advising the public when necessary. Additional resources would be contacted and placed on alert or, if necessary, asked to begin deployment to strategic staging areas.

EAI's experience, planning, and rehearsals enables it to execute a safe, efficient and timely restoration after a major event and restore electrical service to the communities and customers it serves.

Q. WHAT IS THE PROCESS EAI FOLLOWS IN RESTORING SERVICE FOLLOWING A MAJOR OUTAGE?

A. For major emergencies, valuable time can be saved with the proper prioritization of restoration activities. To do this, a thorough damage assessment and evaluation of the electrical system is first conducted.

Generally, restoration efforts first focus on re-energizing substations through repair of the substation facilities and transmission lines that bring power to those substations. Immediate priority is to restore emergency services, including hospitals, police stations and fire departments, and then nursing homes, critical care customers, and major communication hubs. Then, distribution circuit trunks, or main feeders, are repaired in priority order to restore service to the most customers as quickly as possible. Finally, damage that involves individual lateral lines or small numbers of customers is repaired to restore those customers' service. This restoration process enables the Company to restore service to the greatest number of customers as safely and efficiently as possible.

Q. PLEASE DESCRIBE THE AUTOMATED SYSTEMS EAI UTILIZES TO SUPPORT SERVICE RESTORATION.

A. EAI has implemented and refined a network of computer systems and software for the management of the distribution system that support service restoration efforts. The Supervisory Control and Data Acquisition

(SCADA) system provides instantaneous information on main feeders and substations, with remote capabilities to operate these breakers for emergency switching and restoration.

The Company's state-of-the-art operations management application, the Automated Mapping and Facilities Management ("AM/FM System"), significantly aids outage management by accessing customer phone calls to the Company's Customer Response Center and then predicting outage locations and devices based on the source and number of those telephone calls. This system is interfaced with several existing systems including Entergy's Customer Care System ("CCS").

The AM/FM System is capable of importing hundreds of calls per minute from CCS and then predicting which protective device, such as a main feeder breaker, re-closure, line fuse, or transformer fuse, may have operated to cause the outage. The predicted devices are then sorted based on the criteria I described earlier, and restoration crews are dispatched accordingly. Based on these predictions, operations coordinators are able to send crews directly to the protective device that has operated rather than depending on customer addresses. The AM/FM System provides real-time outage life-cycle information, including a record of when the outage case was acknowledged, dispatched, confirmed, and restored. Each step is time stamped and information on which crews were dispatched is retained. Once an outage case has been confirmed, the AM/FM System stores pertinent information in CCS so that customer

service agents and the Voice Response Unit ("VRU") can access this information. Customers who call can receive real-time outage information about their particular outage. The AM/FM System also provides customers the option of an automated call back to notify them when power has been restored. This function is performed by a VRU and is automatically initiated when the associated trouble case is closed in AM/FM.

When an outage case is closed, the pertinent outage information is recorded for all affected customers, not just those who called. This information is then used to help direct maintenance and engineering activities after the fact.

Q. WHAT STEPS ARE TAKEN DURING RESTORATION EFFORTS TO MANAGE THE COSTS?

A. Efficiency and overall cost control is an important part of EAI's restoration planning and preparation. A few of EAI's initiatives used to ensure such are:

1) Utilization of pre-arranged contracts or agreements with contractors and mutual assistance companies, allowing negotiation of terms and pricing structures that prescribe or explain our cost management expectations prior to a significant restoration event.

2) Utilization of pre-arranged contracts or agreements with vendors who will provide lodging, transportation, meals, and other logistical needs.

3) Pre-staging of resources, as appropriate, using information from the Company's weather forecast vendors in conjunction with historical models of past events to provide anticipated damage estimates.

4) Utilization of a specific, pre-planned, storm restoration organizational structure under the direction of EAI's Emergency Command Center, whose oversight includes all restoration resources.

5) Utilization of a sub-networking plan that divides network areas into smaller subsets, allowing EAI or other Operating Company distribution management and professional personnel to more efficiently manage external mutual assistance company and contract crews, including redeployment or release from a work area as quickly as possible once their assignment is complete.

Q. PLEASE EXPLAIN WHAT IS MEANT BY A MUTUAL ASSISTANCE AGREEMENT.

A. The Operating Companies, including EAI, are member participants in mutual assistance programs with the Southeast Electric Exchange and Edison Electric Institute ("EEI"). The EEI Mutual Assistance Committee has established guidelines that serve as an aid in establishing the basis on

which member companies assist one another in restoring electric service. Participation in mutual assistance is voluntary. These operating guidelines, governing principles, and insurance aspects help standardize the format and terms as mutual assistance agreements are established between participating utilities. These guidelines include such items as:

- When resources should be requested;
- How to share resources when multiple members are affected;
- Standards on what costs are to be covered and how these should be billed;
- Standard Sample Invoice

Q. HAS ENTERGY CORPORATION RECEIVED ANY RECOGNITION FOR ITS STORM RESPONSE EFFORTS?

A. Yes. Entergy Corporation has received several awards from EEI for its restoration and assistance efforts. In 2006, 2002, and 1999 Entergy received EEI's Emergency Response Award, which is based on a company's ability to respond to a disaster swiftly and efficiently, overcome difficult circumstances, utilize unique or innovative recovery techniques, communicate effectively with customers, and restore service promptly. Additionally, in 2008, 2007, 2006, 2005, 2004, 2003, 2001, and 2000, Entergy Corporation received EEI's Emergency Assistance Award, which is based on a company's outstanding assistance via workers, equipment,

and expert assistance to fellow utilities struck by disaster events. No other utility in the nation has been recognized more than Entergy Corporation for its restoration and assistance efforts.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 -_____ - U

EAI EXHIBIT SBA-1

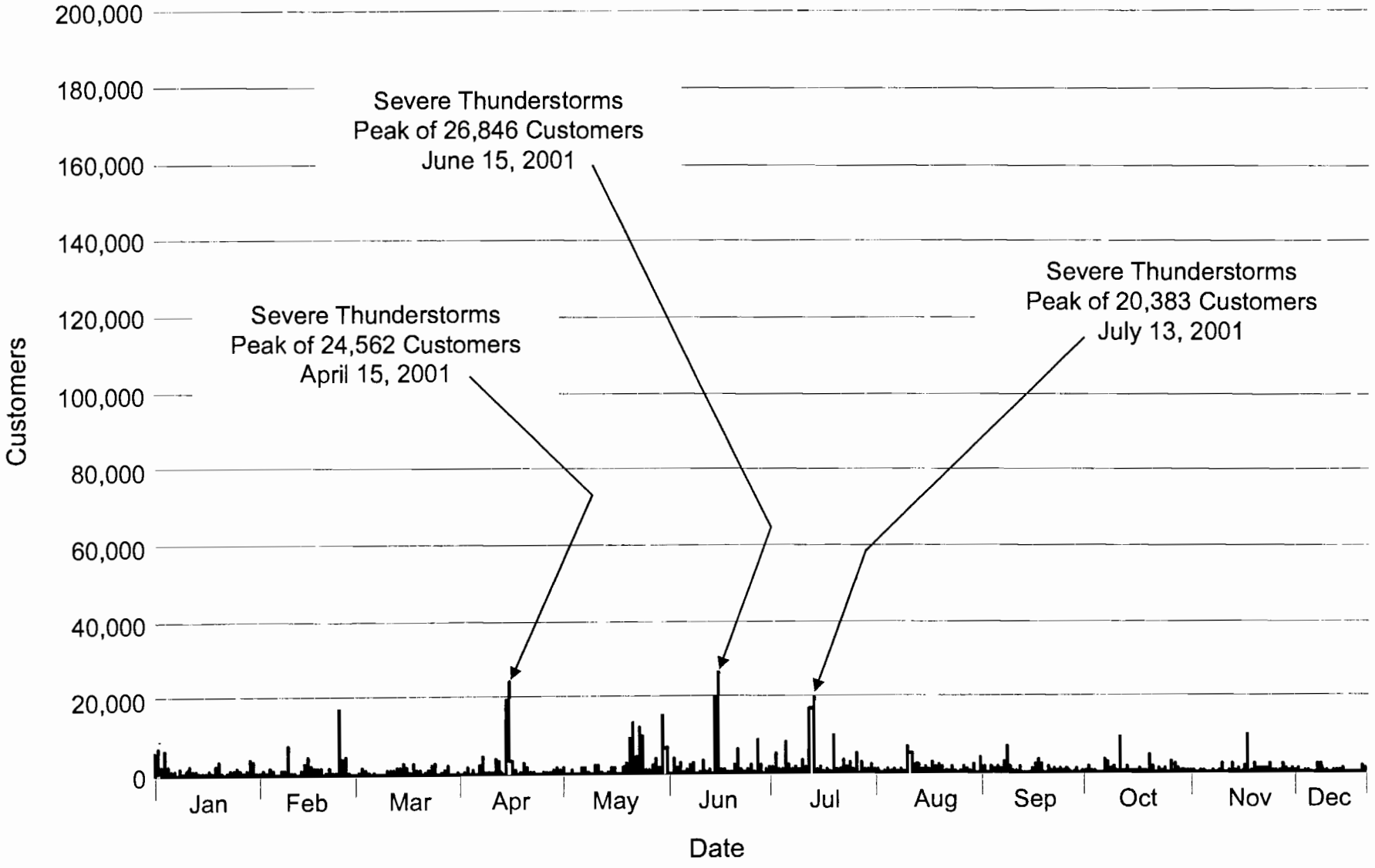
SUMMARY OF WEATHER EVENTS

Significant Weather Events
2001 through 2008

(Based on Customer Outages)

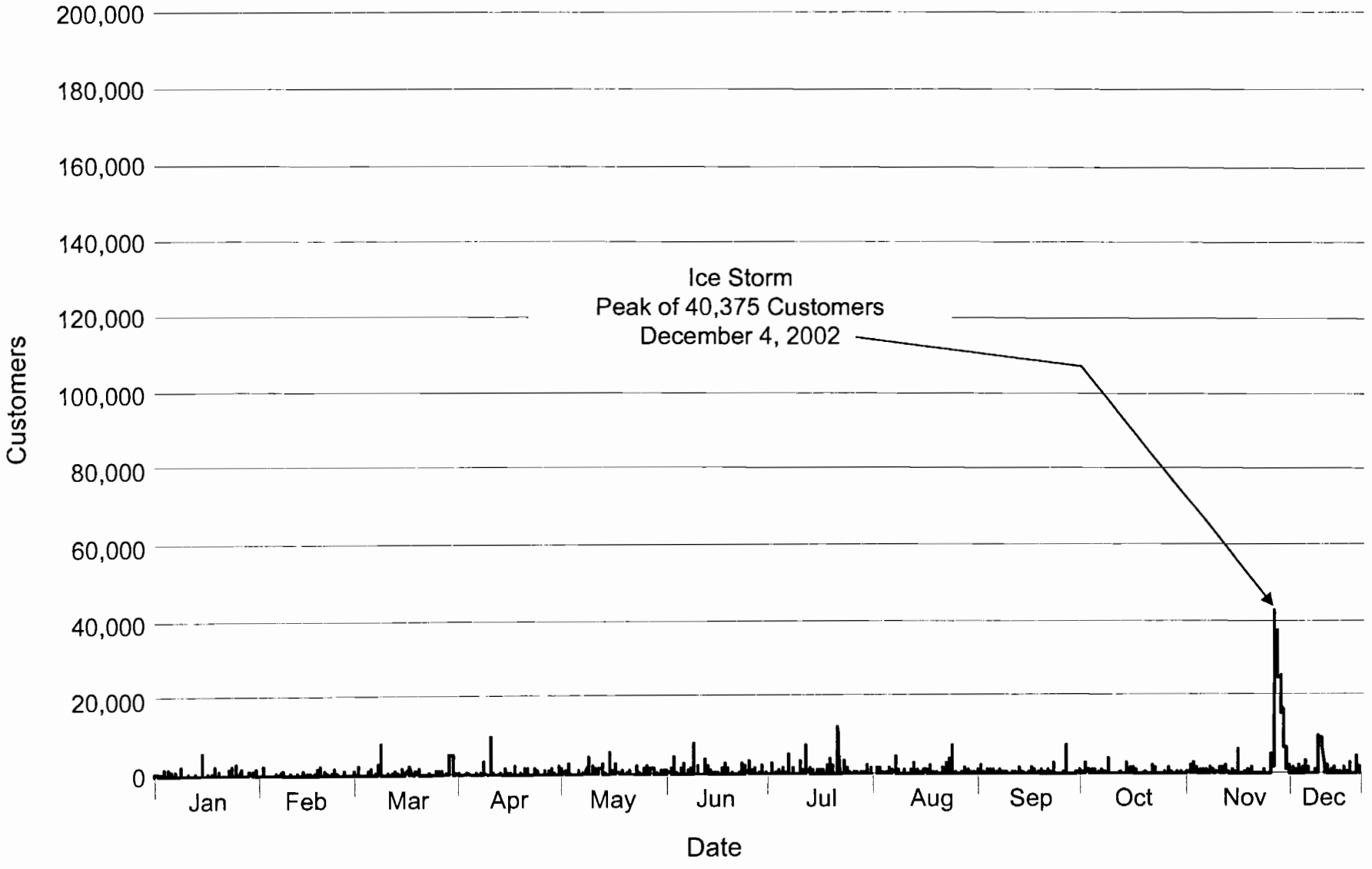
2001 Significant Weather Events

(Based on Customer Outages)



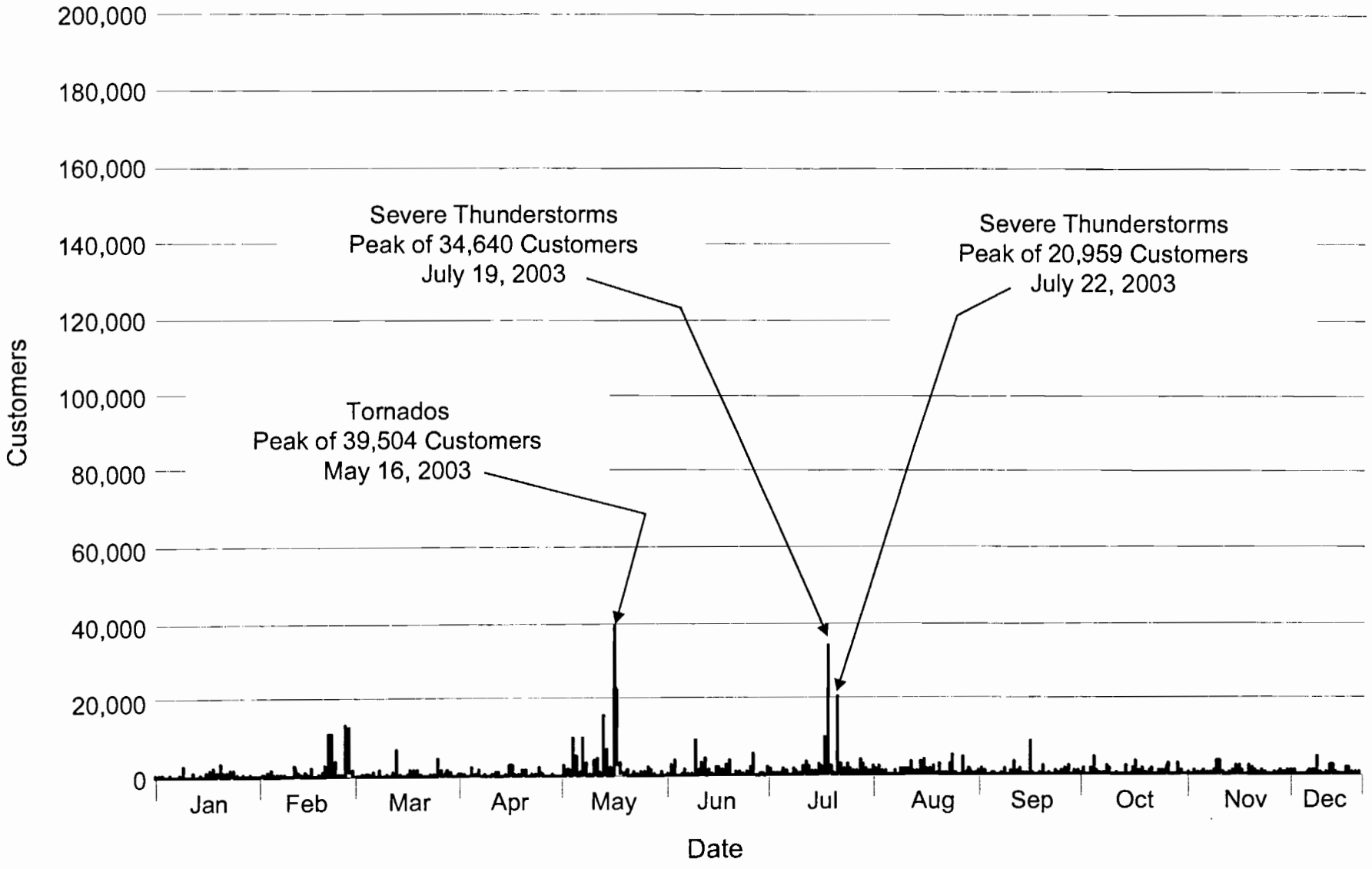
2002 Significant Weather Events

(Based on Customer Outages)



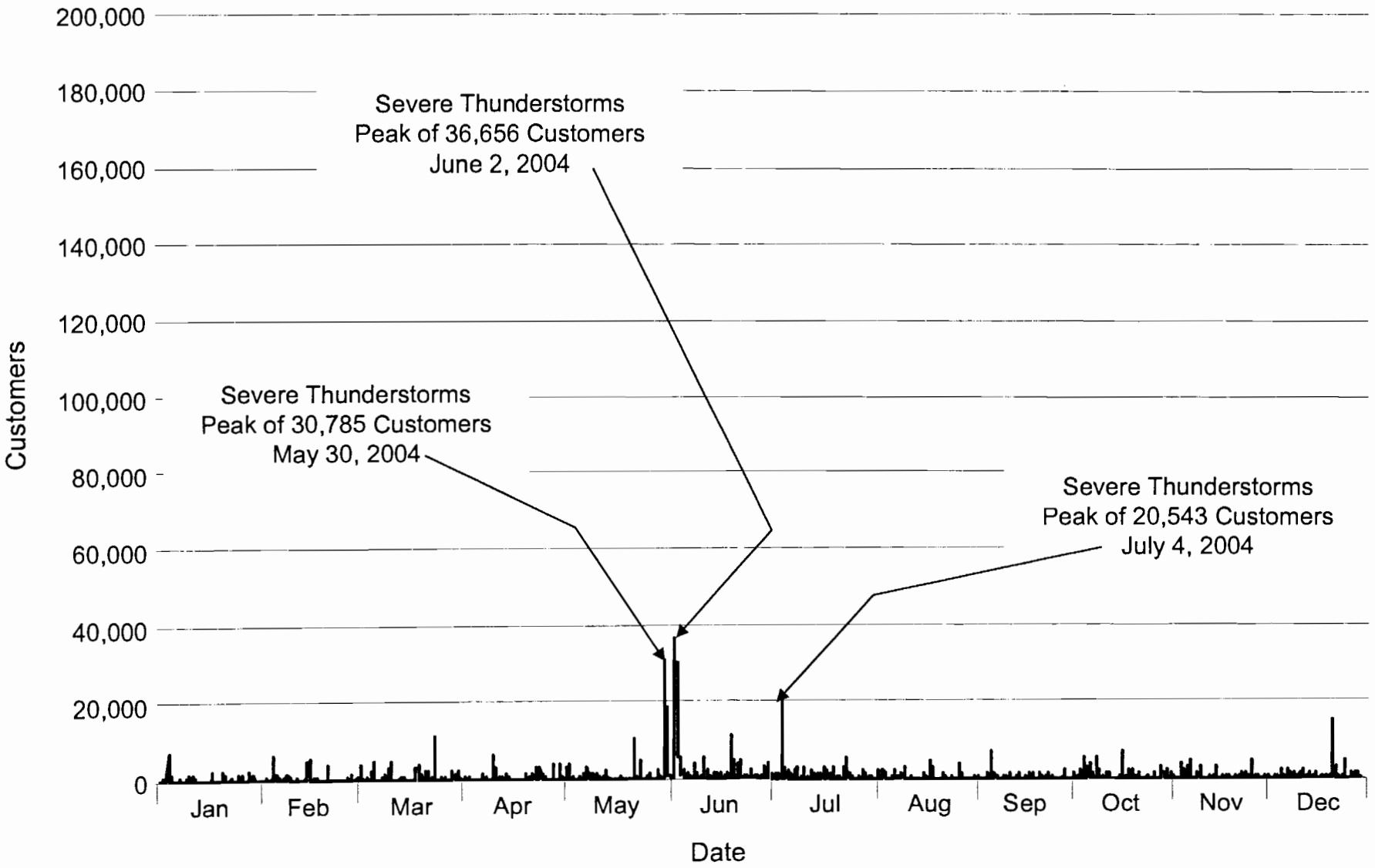
2003 Significant Weather Events

(Based on Customer Outages)



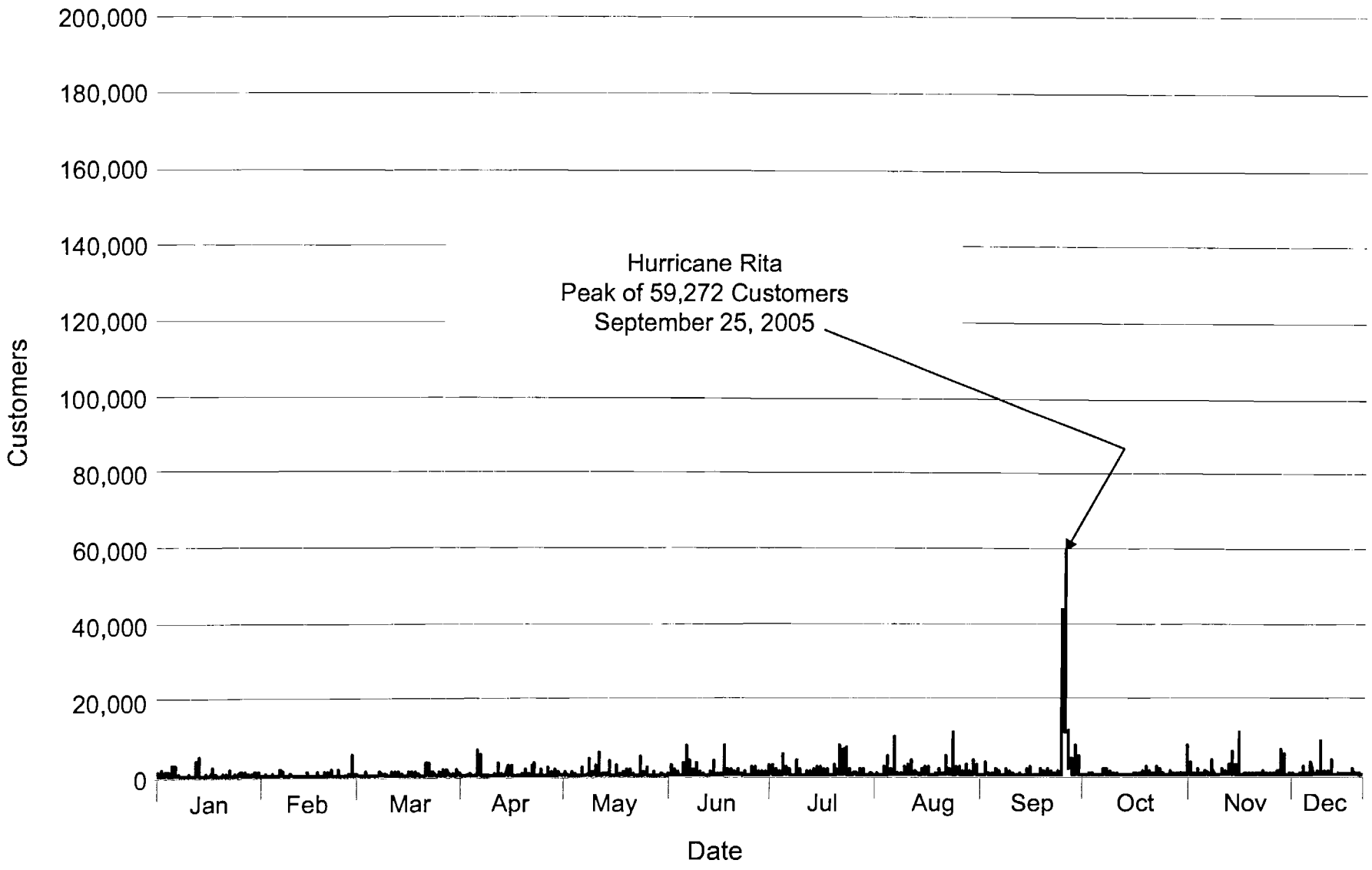
2004 Significant Weather Events

(Based on Customer Outages)



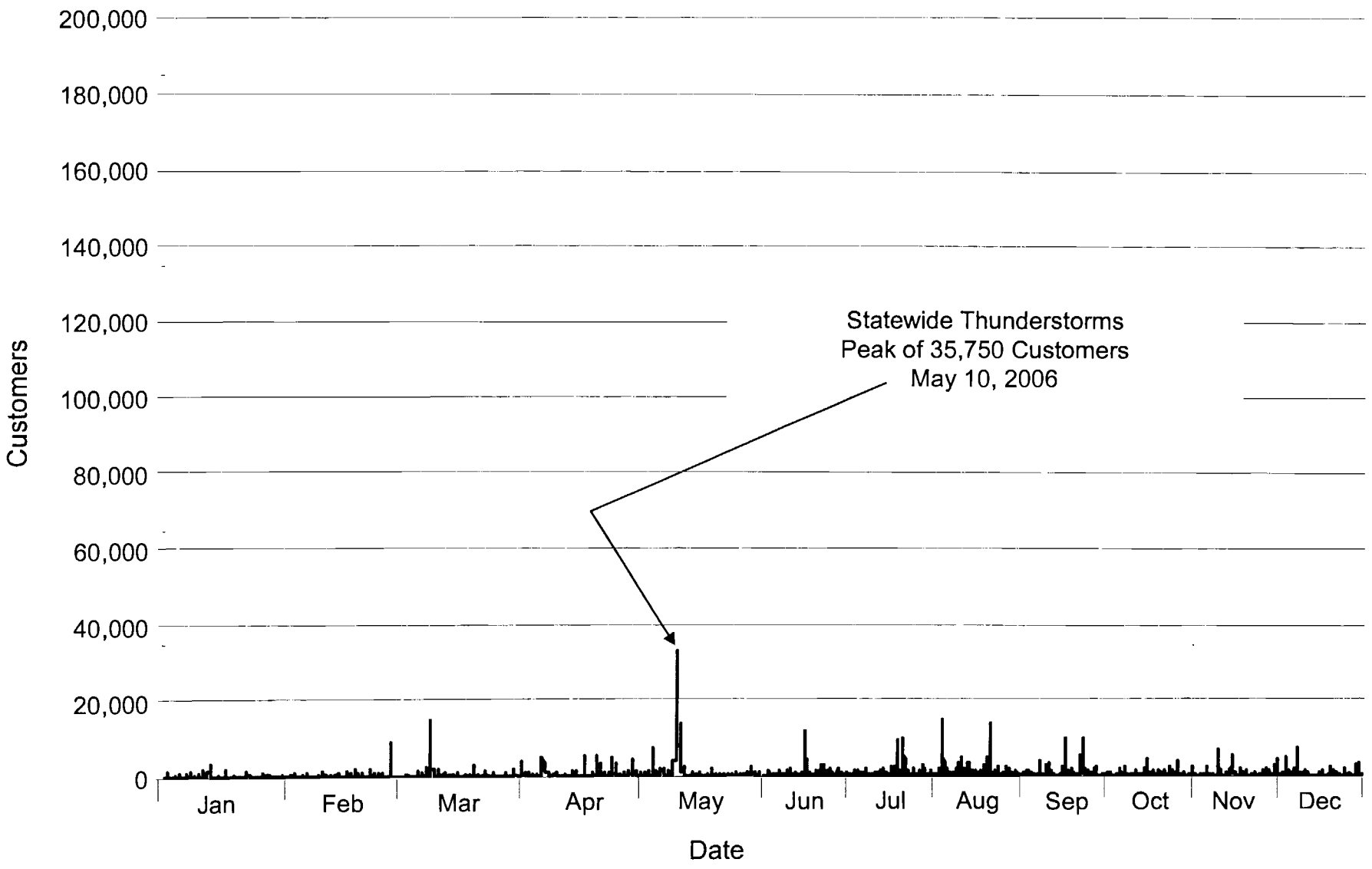
2005 Significant Weather Events

(Based on Customer Outages)



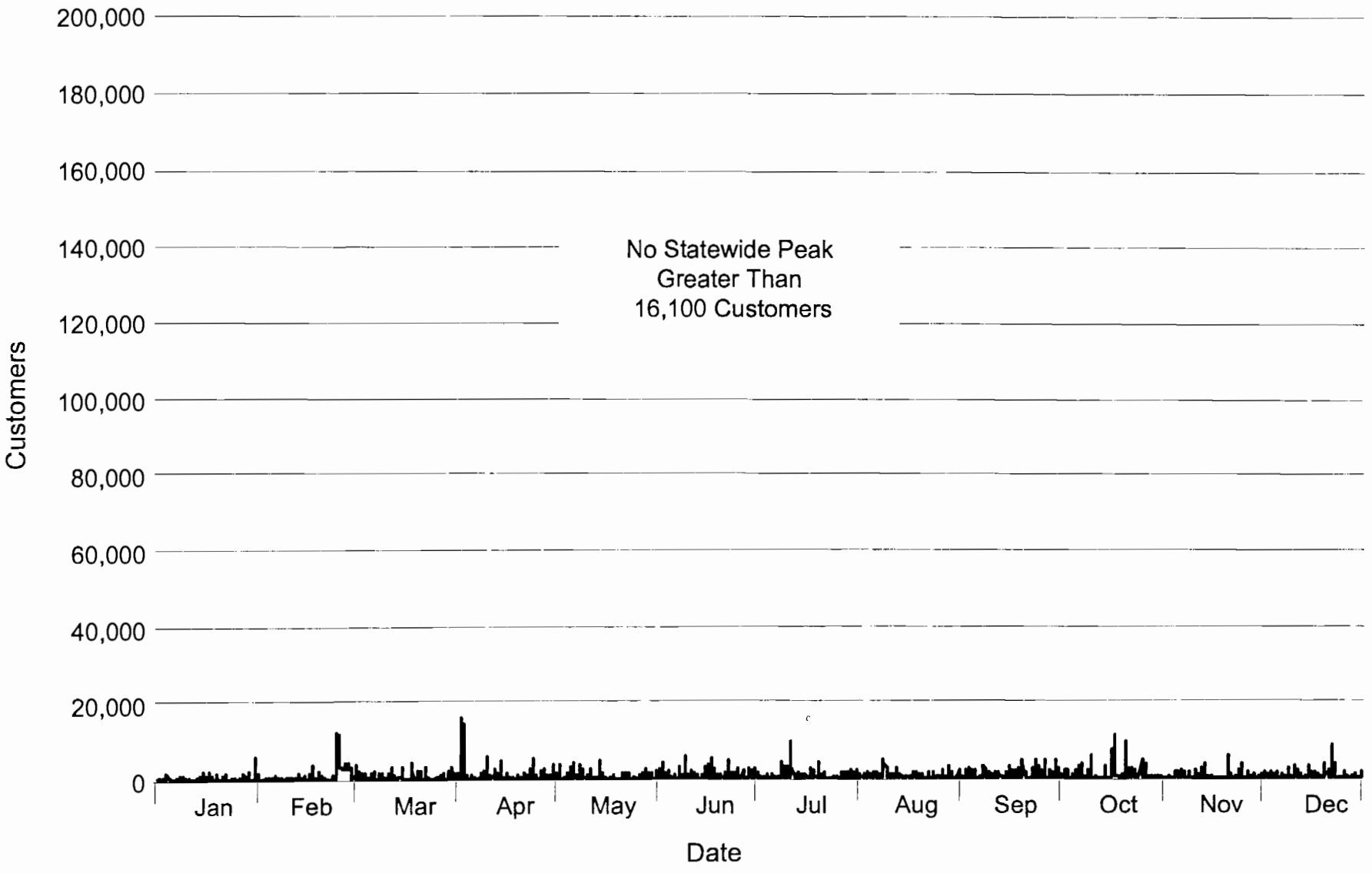
2006 Significant Weather Events

(Based on Customer Outages)



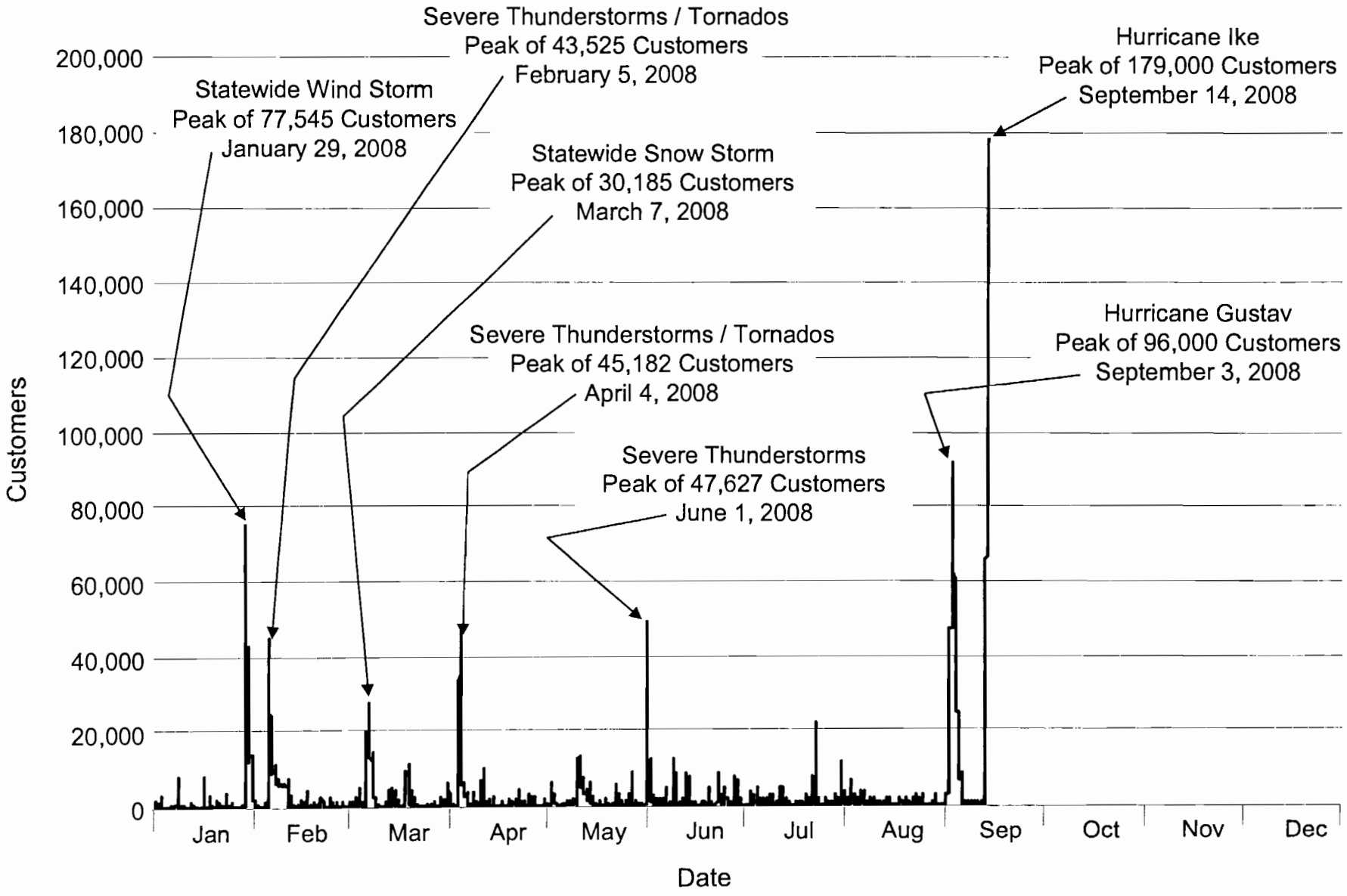
2007 Significant Weather Events

(Based on Customer Outages)



2008 Significant Weather Events

(Based on Customer Outages)



CERTIFICATE OF SERVICE

I, Steven K. Strickland, do hereby certify that a copy of the foregoing has been served upon all parties of record this 15th day of October, 2008.

Steven K. Strickland

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 - 149 - U

DIRECT TESTIMONY

OF

J. DAVID WRIGHT

DIRECTOR, REGULATORY ACCOUNTING

ENTERGY SERVICES, INC.

ON BEHALF OF

ENTERGY ARKANSAS, INC.

OCTOBER 15, 2008

I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is J. David Wright. My business address is 425 West Capitol, Little Rock, Arkansas 72201. I am employed by Entergy Services, Inc. ("ESI")[1] as Director, Regulatory Accounting.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of Entergy Arkansas, Inc. ("EAI" or the "Company").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. My education, professional and work experience is contained in EAI Exhibit JDW-1.

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.

A. As Director, Regulatory Accounting, I am responsible for preparing regulatory accounting data for the Entergy Operating Companies.[2] This includes the preparation of accounting and financial data used in making

[1] ESI is a subsidiary of Entergy Corporation that provides technical and administrative services to all the Entergy Operating Companies.
[2] The Entergy Operating Companies include EAI; Entergy Gulf States Louisiana, L.L.C.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc.

rate filings and the preparation and filing of regulatory accounting testimony.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide the calculation of the 2008 operation and maintenance ("O&M") storm restoration costs in excess of the amount of storm damage expense embedded in EAI's base rates that EAI is requesting to defer in a regulatory asset and recover through the proposed Storm Damage Rider ("Rider SDR"). In addition, I will report the total storm restoration costs incurred by EAI during 2008 and discuss EAI's storm damage cost accounting procedures. The proposed Storm Damage Rider is discussed in the Direct Testimony of EAI witness Oscar D. Washington. EAI witness S. Brady Aldy discusses the operational aspects of EAI's 2008 storm restoration.

II. ACCOUNTING TREATMENT OF UPCOMING STORM COSTS

Q. WHAT IS THE TOTAL 2008 O&M STORM RESTORATION EXPENSE INCURRED BY EAI?

A. As of September 30, 2008, the Company has incurred $40.744 million in O&M storm restoration expenses. A list of the O&M storm restoration expenses is shown in EAI Exhibit JDW-2.

Q. PLEASE DESCRIBE EAI'S THRESHOLD FOR DETERMINING STORM RESTORATION COSTS.

A. A project code is established for storm costs that are expected to have total costs in excess of $50,000. This project code captures all the storm costs related to a particular storm. These costs are then split between capital costs and O&M expense. This procedure has been in place since at least the Company's general rate case in Docket No. 96-360-U. The amounts on EAI Exhibit JDW-2 are the O&M storm costs by project code plus accruals for Hurricanes Gustav and Ike.

Q. IS THE LEVEL OF EAI's 2008 O&M STORM COSTS EXTRAORDINARY?

A. Yes. As Mr. Aldy explains in his testimony, the frequency and magnitude of storm activity in 2008 in Arkansas was extraordinary. This also resulted in an extraordinary level of cost. The total O&M storm costs incurred through September 2008 (nine months) is almost three times the annual

amount of storm costs allowed in rates. Three times the normal storm costs is extraordinary.

Q. DESCRIBE THE ACCOUNTING TREATMENT THAT EAI IS REQUESTING FOR ITS 2008 STORM DAMAGE COSTS.

A. EAI seeks Arkansas Public Service Commission ("APSC" or the "Commission") approval to record a regulatory asset for storm costs incurred during 2008 that exceed the level of storm restoration expenses provided in rate recovery through EAI's base rates, with the understanding that such amount will be recoverable except to the extent that such amount may be adjusted after audit and earnings analysis. This excess would be recorded in a specific subaccount of Federal Energy Regulatory Commission ("FERC") major account 182.3, Other Regulatory Assets. This includes any O&M storm costs incurred in the months of October-December 2008 in the regulatory asset with these amounts also being subject to adjustment after audit. The storm restoration costs would be accumulated in this subaccount and would be amortized as the costs are recovered through Rider SDR. Rider SDR is included as EAI Exhibit ODW-1 to the direct testimony of Mr. Washington.

Q. WHY IS THIS ACCOUNTING TREATMENT NECESSARY?

A. This extraordinary level of expense is above the level contemplated in the establishment of base rates in Docket No. 06-101-U. Recognition of the

regulatory asset related to these extraordinary expenses in 2008 will prevent the negative impact on EAI's earnings that would otherwise result. This accounting treatment is necessary to match the expensing of storm costs through the amortization of the regulatory asset with the revenues recovered through Rider SDR. Additionally, recovery of this extraordinary level of expenses is important to demonstrate timely recoverability of storm restoration costs and to avoid deterioration of cash flow credit metrics.

Q. WHAT LEVEL OF STORM RESTORATION COSTS IS RECOVERED IN CURRENT RATES?

A. In Order No. 10 of Docket No. 06-101-U, the APSC approved $14.449 million of annual storm damage expense based on a five-year average of EAI's actual total storm restoration expenses for the years 2001 through 2005, excluding the December 2000 ice storm costs and Hurricane Katrina business continuity costs. These average storm costs included all storm costs incurred by EAI.

Q. IS EAI REQUESTING ANY REVENUE LOST DUE TO HURRICANES GUSTAV OR IKE IN ITS REQUEST FOR A STORM COST DEFERRAL?

A. No. EAI estimates it lost $1.6 million of base rate revenues during the time service was out due to Hurricanes Gustav and Ike, but it is not requesting recovery of these lost revenues in this filing.

Q. WHAT IS THE INITIAL AMOUNT THAT EAI IS REQUESTING TO DEFER IN A REGULATORY ASSET?

A. EAI is requesting to defer and recover through Rider SDR the Arkansas retail portion of the total 2008 O&M storm restoration expenses through September in excess of the annual storm costs embedded in base rates. This amount is $26.295 million on a total Company basis. Mr. Washington's testimony reflects the amount of deferral on an Arkansas retail basis.

Q. DO THE EAI STORM COSTS INCLUDE ANY AMOUNTS ACCRUED FOR HURRICANES GUSTAV AND IKE?

A. Yes, EAI has accrued the expenses associated with the restoration of service associated with Hurricanes Gustav and Ike.

Q. HOW WERE THE ACCRUALS FOR HURRICANES GUSTAV AND IKE DETERMINED?

A. ESI accounting personnel requested estimates from contractors and vendors for costs that were incurred in the restoration process. These amounts were added to the costs that EAI had actually incurred (for costs such as EAI labor and materials) to arrive at total storm costs. The difference between total estimated storm costs less the storm cost amounts actually booked in September is the storm costs accrual booked

in September. These storm costs accruals will be revised as actual storm costs are booked. The amounts that the Company will finally recover will be actual costs, not estimated costs.

Q. DOES EAI INTEND TO UPDATE THE AMOUNT OF STORM RESTORATION EXPENSES DEFERRED THROUGH THE END OF 2008?

A. Yes. EAI plans to file an update of the deferred storm restoration expenses incurred through the end of the year and true-up any accrued expenses, such as the expenses accrued associated with Hurricanes Gustav and Ike, following the year-end closing.

Q. WILL THE STORM RESTORATION EXPENSES BE SUBJECT TO COMMISSION AUDIT?

A. Yes. EAI's 2008 O&M storm restoration expenses will be subject to audit by the APSC. The final amount to be recovered will be adjusted to reflect the result of the audit.

Q. DOES EAI EXPECT TO ACHIEVE ITS ALLOWED RETURN ON EQUITY FOR 2008?

A. No. Based on actual total company results to date, EAI does not anticipate any over earnings for 2008. Rates established in Docket No. 06-101-U utilized a test year ended June 30, 2006 and expenses incurred

in 2008 will likely be higher than that level. Additionally, the level of sales growth assumed in establishing rates has not happened and the weather for 2008 has been milder than normal resulting in reduced sales.

To verify this, the Company will prepare and submit an earnings analysis similar to the Regulatory Earnings Review Tariff ("RERT") process approved by the Commission in Docket No. 96-360-U for the year 2008. Should the Company experience earnings above the allowed return as identified by this earnings analysis, they would be used to offset the unrecovered balance of O&M storm restoration costs.

Q. WHAT ARE THE DIFFERENCES BETWEEN THE RERT PROCESS AND THE EARNINGS ANALYSIS THAT EAI WILL SUBMIT TO THE COMMISSION IN THIS DOCKET?

A. EAI will make modifications to the RERT calculation to reflect the rate of return on rate base approved by the Commission in Docket No. 06-101-U, update adjustments and other factors consistent with Docket No. 06-101-U, and provide for adjustments to reflect jurisdictional revenue requirements not in base rates.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 -_____ - U

EAI EXHIBIT JDW-1

EDUCATIONAL, PROFESSIONAL AND
WORK EXPERIENCE OF J. DAVID WRIGHT

EDUCATIONAL AND PROFESSIONAL BACKGROUND OF
J. DAVID WRIGHT

I graduated in 1976 from the University of Central Arkansas at Conway, Arkansas with a Bachelor of Business Administration degree in accounting. In May 1976 I began four years of employment with a local CPA firm in Little Rock. I performed audit and tax work at this firm and left in 1980 as a senior accountant. In 1978 I became a Certified Public Accountant. I began work in the Entergy System with Arkansas Power & Light Company in 1980 and have held various technical and supervisory positions including accountant, senior accountant, accounting supervisor, Manager, Taxes and Special Studies, and Manager, Regulatory Accounting and Tax. My job duties in all of these assignments included preparing accounting data for rate filings, reviewing testimony on accounting issues and drafting testimony on accounting issues in various rate proceedings. I was named Manager, Regulatory Accounting for Entergy Services, Inc. in January 1993, and have been in my present position as Director, Regulatory Accounting, since October 1998. I am a member of the Arkansas Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

I am responsible for preparing regulatory accounting data for the operating companies of Entergy Corporation. This includes the preparation of accounting and financial data used in making rate filings and the preparation and filing of regulatory accounting testimony.

I have provided testimony as an expert accounting witness in the following Dockets:

Arkansas Public Service Commission

Docket No. 92-160-U
Docket No. 94-439-U
Docket No. 96-360-U
Docket No. 99-249-U
Docket No. 00-383-U
Docket No. 01-041-U
Docket No. 01-056-U
Docket No. 01-084-U
Docket No. 01-296-U
Docket No. 06-101-U

Louisiana Public Service Commission

Docket No. U-19904-C
Docket No. U-19904-D
Docket No. U-20181
Docket No. U-20925
Docket No. U-21485
Docket No. U-22084
Docket No. U-22137
Docket No. U-22138
Docket No. U-22092
Docket No. U-22491

Docket No. U-23358
Docket No. U-24182
Docket No. U-24993
Docket No. U-25460
Consolidated Dockets No. U-21453, U-20925,
And U-22092 (Subpart B)
Docket No. U-25687
Docket No. U-26527
Docket No. U-29203

Council of the City of New Orleans

Docket No. UD-92-2A
Docket No. UD-92-2B
Docket No. UD-97-1
Docket No. UD-99-1
Docket No. UD-01-04

Mississippi Public Service Commission

Docket No. 93-UA-0301
Docket No. 94-UN-0228
Docket No. 96-UN-0351
Docket No. 96-UA-0389
Docket No. 01-UA-59
Docket No. 02-UN-0526
Docket No. 05-UN-0721
Docket No. 06-UA-82

Public Utility Commission of Texas

Docket No. U-12852

Docket No. 15102

Docket No. 15489

Docket No. 16705

Docket No. 20150

Docket No. 22344

Docket No. 22356

Docket No. U-25460

Docket No. 31315

Docket No. 31544

Docket No. 32003

Docket No. 32907

Docket No. 34800

Federal Energy Regulatory Commission

Docket No. ER-95-1042-000

Docket No. RT01-75

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF ENTERGY ARKANSAS, INC. FOR AN ACCOUNTING ORDER AUTHORIZING ESTABLISHMENT OF A REGULATORY ASSET AND STORM DAMAGE RIDER	)))))	DOCKET NO. 08 -_____ - U

EAI EXHIBIT JDW-2

EAI 2008 O&M STORM RESTORATION EXENSES

ENTERGY ARKANSAS, INC.
2008 O&M STORM COSTS THROUGH SEPTEMBER

	PROJECT	PROJECT NAME	O&M
1	E2PPSJ1161	1/7/2008 Trans. Storm EAI	34,813
2	C7PPSJ7099	TORNADO DL ARK DIST EAI 01/08/08	220,133
3	C7PPSJ7100	WIND STORM DL ARK DIST EAI 01/29/08	5,483,220
4	E2PPSJ1162	1/29/2008 Trans Storm EAI	73,093
5	C7PPSJ7101	TORNADOES DL ARK DIST EAI 02/05/08	5,075,188
6	E2PPSJ1163	2/5/2008 Trans Storm EAI	602,377
7	C7PPSJ7102	SNOW/ICE DL ARK DIST EAI 03/04/08	107,124
8	C7PPSJ7103	SNOW/ICE DL ARK DIST EAI 03/06/08	2,212,884
9	E2PPSJ1164	3/6/2008 Trans. Storm EAI	1,720
10	E2PPSJ1165	Trans Storm EAI 3/7/2008	50,655
11	C7PPSJ7104	STORM DL ARK DIST EAI 03/13/08	85,133
12	E2PPSJ1166	Trans. Storm 3/14 EAI Carpenter Dam	47,921
13	C7PPSJ7105	STORM DL ARK DIST EAI 03/18/08	584,132
14	E2PPSJ1167	Trans Storm EAI 3/19 Gilmore/Wilson	61,096
15	C7PPSJ7106	STORM DL ARK DIST EAI 03/31/08	38,761
16	C7PPSJ7107	TORNADOES DL ARK DIST EAI 04/03/08	1,413,827
17	E2PPSJ1168	Trans. Storm 4/4/2008 for EAI	6,434
18	C7PPSJ7108	STORM DL ARK DIST EAI4/8/08-4/10/08	558,520
19	E2PPSJ7115	Jacksonville AR storm damage 4/8/08	10,841
20	E2PPSJ1169	Trans. Storm 4/9/2008 for EAI	39,028
21	C7PPSJ7109	TORNADOES DL ARK DIST EAI 05/02/08	623,563
22	E2PPSJ1170	Trans. Storm for EAI on 5/2/08	473,642
23	C7PPSJ7110	TORNADOES DL ARK DIST EAI 05/09/08	1,894,849
24	E2PPSJ1171	Trans. Storm 5/10/08 for EAI	287,071
25	C7PPSJ7111	STORM DL ARK DIST EAI 05/26/08	184,359
26	E2PPSJ1172	Trans Storm 6/1/2008 for EAI	77,520
27	C7PPSJ7113	STORM DL ARK DIST EAI 06/01/08	1,015,919
28	C7PPSJ7114	STORM DL ARK DIST EAI 06/09/08	138,733
29	C7PPSJ1173	STORM DL ARK DIST EAI 06/13/08	347,242
30	C7PPSJ1174	STORM DL ARK DIST EAI 06/23/08	252,641
31	C7PPSJ1175	STORM DL ARK DIST EAI 06/28/08	110,880
32	C7PPSJ1177	STORM DL ARK DIST EAI 07/03/08	136,918
33	C7PPSJ1178	STORM DL ARK DIST EAI 07/12/08	123,842
34	C7PPSJ1179	STORM DL ARK DIST EAI 07/22/08	86,731
35	C7PPSJ1180	STORM DL ARK DIST EAI 07/31/08	124,107
36	Hurricane Gustav	HURRICANE GUSTAV	6,843,249
37	Hurricane Ike	HURRICANE IKE	11,315,919
38			40,744,085

CERTIFICATE OF SERVICE

I, Steven K. Strickland, do hereby certify that a copy of the foregoing has been served upon all parties of record this 15th day of October, 2008.

Steven K. Strickland