

RECEIVED

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

2011 NOV -2 AM 10: 19

VIA OVERNIGHT MAIL

T.R.A. DOCKET ROOM

November 1, 2011

Mr. David Foster Chief, Utility Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Re:

Tennessee Regulatory Authority Tariff Filing No. 2011- (X) | X > Entergy Arkansas, Inc. Tariff Revisions for Revised Rate Schedule No. 37 ANO Decommissioning Cost Rider (Rider NDCR) and Revised Rate Schedule No. 42 Grand Gulf Rider (Rider GGR)

Dear Mr. Foster:

On November 1, 2011, Entergy Arkansas, Inc. (EAI), filed with the Arkansas Public Service Commission (APSC) a revised Attachment A to ANO Decommissioning Cost Rider (Rider NDCR) in APSC Docket No. 87-166-TF and a revised Grand Gulf Rider (Rider GGR) Sheet 42.2 in APSC Docket No. 11-156-TF.

The purpose of this letter is to file these same proposed revisions to these Riders with the Tennessee Regulatory Authority (TRA) for its acknowledgement and inclusion into EAI's Tennessee tariffs. We will forward to the TRA the APSC General Staff's testimony and APSC orders are soon as they are issued for inclusion in EAI's filing with the TRA.

Per the terms of the tariffs, the new rates should be effective the first billing cycle of January 2012 which begins on December 30, 2011. The attached updated tariff sheets reflect this effective date.

EAI is requesting the thirty-day notice required in TRA Rule 1220-4-1-.04 be waived to allow EAI to place these revised rates in effect for Arkansas retail customers residing in Tennessee concurrent with the effective date established in the APSC's orders.

Following are descriptions of these Riders and the supporting information being provided.

Rate Schedule No. 37 – ANO Decommissioning Cost Rider (Rider NDCR)

The revised rate adjustments in Attachment A to Rider NDCR are in accordance with agreed upon parameters of a Stipulation and Settlement Agreement filed with the Tennessee Regulatory Authority in Docket No. 98-00007 and were developed utilizing the approved decommissioning cost estimate of \$1,049.8 million excluding Spent Fuel costs, and the annual CPI-U as the escalation rate approved in the APSC's Order No. 50 in APSC Docket No. 87-166-TF and include 20-year plant life extensions for both Arkansas Nuclear One (ANO) units. Included herewith are an original and 4 copies of the proposed Attachment A to Rider NDCR and a copy of the Arkansas filing submitted to the Secretary of the APSC in Docket No. 87-166-TF.

The revenue requirement and rate will remain at the zero level for 2012.

Rate Schedule No. 42 - Grand Gulf Rider (Rider GGR)

Updated Rider GGR has been changed pursuant to the terms of the Grand Gulf Rider GGR, the Stipulation and Settlement Agreement filed with the Tennessee Regulatory Authority in Docket No. 98-00007, and the Settlement Agreement filed with the APSC in Docket No. 00-177-U. Please find attached the following:

- A fourteenth revised Sheet 42.2 of the Rider GGR, which includes revised Net Monthly Rates to become effective with the first billing cycle of January 2012. Based on projected 2012 billing units, the proposed rate change from the rate in effect since January 2011 will result in an annual estimated increase to Arkansas retail ratepayers of approximately \$15.4 million. This is the result of a \$14.9 million increase in projected Grand Gulf demand revenue requirement and a smaller offset of \$0.5 million in the over-recovery balance as compared to those balances in September 2010.
- A summary of the Rider GGR Revenue Requirement for 2012, which reflects the over-recovery adjustment for the October 2010 through September 2011 true-up period and the projected Grand Gulf capacity costs for the year ended December 2012 including the Grand Gulf Accelerated Recovery Tariff Revenue Requirement for 2012.

Included herewith are the original and 4 copies of the proposed revisions to the Rider GGR and a copy of the Arkansas filing submitted to the Secretary of the APSC in Docket No. 11-156-TF. Once approved, these Rate Schedules and Attachments will supersede the schedules previously approved. All other existing Rate Schedules remain in effect as they currently are except for the schedules submitted with this filing.

Mr. David Foster Page 3 November 1, 2011

If you have any questions or need additional information, please do not hesitate to call me at (501) 377-4338.

Sincerely,

David E. Hunt, Manager Arkansas Regulatory Affairs

David E. Hunt

DEH/tlv Attachments

TRA Tariff Filing No.: Effective: 12/30/11

Attachment A to Rate Schedule No. 37 Page 1 of 1 Schedule Sheet 1 of 1

(CT)

ATTACHMENT A

The Net Monthly Rates set forth in EAI's schedules identified below will be increased by the following Rate Adjustments amounts during the billing months of January 2012 through (CT) December 2012:

Rate Class	Rate Schedules	Rate Adjustment
ANO-1		
Residential Small General Service	RS, RT, REMT SGS, GFS, MP, AP, CTV,	\$0.00000 per kWh
	SMWHR, CGS, TSS	\$0.00000 per kWh
Large General Service	LGS, LPS, GST, PST	\$0.00 per kW
Lighting	L1, L4, L1SH	\$0.00000 per kWh
ANO-2		
Residential	RS, RT, REMT	\$0.00000 per kWh
Small General Service	SGS, GFS, MP, AP, CTV,	
1 0 1 0	SMWHR, CGS, TSS	\$0.00000 per kWh
Large General Service Lighting	LGS, LPS, GST, PST L1, L4, L1SH	\$0.00 per kW \$0.00000 per kWh
Lighting	L1, L4, L1011	φυ.υυυυυ per κνντι

ARKANSAS PUBLIC SERVICE COMMISSION

14th Revised Sheet No. 42.2 Schedule Sheet 2 of 3

Replacing: 13th Revised Sheet No. 42.2

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All TRA Tariff Filing No.:

Part III. Rate Schedule No. 42 Effective: 12/30/11

Title: Grand Gulf Rider (GGR) PSC File Mark Only

The Net Monthly Rates for Grand Gulf demand related costs for the billing period from January 2012 through December 2012 will be as follows:

Rate Class	Rate Schedules	Net Monthly Rate	
Residential	RS, RT, REMT	\$0.00749 per kWh	(CR)
Small General Service	SGS, GFS, MP, AP, CTV,	•	
	SMWHR CGS, TSS	\$0.00660 per kWh	(CR)
Large General Service	LGS, GST, LPS, PST	\$1.96 per kW	(CR)
Lighting	L1, L4, L1SH	\$0.01043 per kWh	(CR)

(CT)

42.3. PROCEDURES FOR RECOVERY OF GRAND GULF COSTS

- 42.3.1. On or before November 1 of 1998 and each succeeding year thereafter, the Company will file with the APSC a revision to this Grand Gulf Rider which will reflect the demand related Grand Gulf costs which are projected to be incurred over the twelve-month period beginning on January 1 of the following year and will also file new Net Monthly Rates necessary to recover such costs to become effective on the first billing cycle of January of such year. These new Net Monthly Rates will reflect a true-up of any prior over or under recovery of such costs as determined in § 42.3.6 below. In the revision to this Grand Gulf Rider (GGR) filed with the APSC, the 36% allocation to EAI will be further allocated based on the percentages embodied in the Stipulation and Settlement Agreement as the Current Recovery Share and the Retained Share.
- **42.3.2.** The Current Recovery Share allocated to the Company's Arkansas retail customers will be recovered on a current basis.

DOCUMENTS FILED BY EAI WITH THE ARKANSAS PUBLIC SERVICE COMMISSION ON NOVEMBER 1, 2011 IN APSC DOCKET NO. 87-166-TF

EAI'S ANO DECOMMISSIONING COST RIDER NDCR UPDATE (RATE SCHEDULE NO. 37)



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

November 1, 2011

Ms. Jan Sanders, Secretary Arkansas Public Service Commission P. O. Box 400 Little Rock, AR 72203-0400

Re: APSC Docket No. 87-166-TF

ANO Decommissioning Cost Rider NDCR Update

Dear Ms. Sanders:

In accordance with the requirements of ANO Decommissioning Cost Rider NDCR (Rider NDCR) and the Arkansas Public Service Commission's Order Nos. 5, 27, 32, 41, 45, 46, and 50 in Docket No. 87-166-TF, please find attached for filing with the Commission the following:

Attachment 1

Revised Attachment A to Rider NDCR containing decommissioning rate adjustments that are to be effective for the billing months from January 2012 through December 2012, the supporting Revenue Requirement Summary page of the decommissioning model, and a summary of the decommissioning fund balances reflecting a 20-year life extension for both ANO units. (Scenario 2 Order No. 41).

Supplemental Testimony and Exhibits of Rebecca L. Bowden in support of the Company's Rider NDCR Update.

EAI will not include in this annual update the Scenario 1 analysis, previously provided as Attachment 2, pursuant to Order No. 45 issued in this Docket on December 20, 2006. Order No. 45 approved the Company's request to eliminate the Scenario 1 analysis and to provide only Attachment 1 in future annual updates unless the Attachment 1 analysis results in other than a zero revenue requirement. The revenue requirement and rate will remain at the zero level for 2012.

In accordance with the Stipulation approved in Order No. 50 on October 13, 2009, this annual update to Rider NDCR incorporates the approved nuclear decommissioning cost estimate of \$1,049.8 million excluding Spent Fuel costs, and the annual CPI-U as the escalation rate. EAI submits the Supplemental

Ms. Jan Sanders November 1, 2011 Page 2

Testimony of Rebecca L. Bowden in support of the Company's Rider NDCR Update.

As required by the Stipulation approved in Order No. 50, Ms. Bowden provides, in <u>EAI Exhibit RLB-11</u>, the actual net tax benefits to ratepayers of the pourover of the ANO non-tax qualified trust fund balances to the ANO tax qualified trust fund along with an explanation of the variations in actual benefits from those reflected in <u>EAI Exhibit RLR-2</u>, which was filed on March 31, 2009.

An electronic copy of this filing, with the above-listed attachments and testimony, is being served upon all parties of record to this docket. Copies of workpapers supporting the calculation of the revised Attachment A to Rider NDCR have been provided to the General Staff and will be provided to any other interested party upon request.

Should you have any questions concerning this filing, please call me at (501) 377-4338 or Jeff McGee at (501) 377-3976.

Sincerely,

<u>/s/ David E. Hunt</u> David E. Hunt

Manager, EAI Regulatory Affairs

Attachments

c: All Parties of Record

Attachment 1 Docket No. 87-166-TF Page 1 of 3

Order No.:

Effective: January 2012

Attachment A to Rate Schedule No. 37 Page 1 of 1

Schedule Sheet 1 of 1

ATTACHMENT A

The Net Monthly Rates set forth in EAI's schedules identified below will be increased by the following Rate Adjustments amounts during the billing months of January 2012 through December 2012:

(CT) (CT)

Rate Schedules	Rate Adjustment
RS, RT, REMT	\$0.00000 per kWh
SGS, GFS, MP, AP, CTV,	
	\$0.00000 per kWh
	\$0.00 per kW
L1, L4, L1SH	\$0.00000 per kWh
RS, RT, REMT	\$0.00000 per kWh
SGS, GFS, MP, AP, CTV,	
SMWHR, CGS, TSS	\$0.00000 per kWh
LGS, LPS, GST, PST	\$0.00 per kW
L1, L4, L1SH	\$0.00000 per kWh
	RS, RT, REMT SGS, GFS, MP, AP, CTV, SMWHR, CGS, TSS LGS, LPS, GST, PST L1, L4, L1SH RS, RT, REMT SGS, GFS, MP, AP, CTV, SMWHR, CGS, TSS LGS, LPS, GST, PST

Attachment 1 Docket No. 87-166-TF Page 2 of 3

Entergy Arkansas, Inc. ANO Decommissioning Model Revenue Requirement Summary (\$000)

		Unit 1		Unit	2	Both Units	
Line		Total	Arkansas	Total	Arkansas	Total	Arkansas
No	Year	Company [1]	Retail [2]	Company [1]	Retail [2]	Company	Retail [2]
1	2012		0	0	0		
2	2013	0	0	0	0	0	C
3	2014	0	0	0	0	0	-
4	2015	0	0	0	0	0	C
5	2016	0	0	0	0	0	0
6	2017	0	0	0	0	0	C
7	2018	0	0	0	0	0	0
8	2019	0	0	0	0	0	O
9	2020	0	0	0	0	0	0
10	2021	0	0	0	0	0	C
11	2022	0	0	0	0	0	0
12	2023	0	0	0	0	0	0
13	2024	0	0	0		0	0
14	2025	0	0	0	0	0	0
15	2026	0	0	0	0	0	0
16	2027	0	0	0	0	0	0
17	2028	0	0	0	0	0	0
18	2029	0	0	0	0	0	0
19	2030	0	0	0	0	0	0
20	2031	0	0	0	0	0	0
21	2032	0	0	0	0	0	
22	2033	0	0	0	0	0	0
23	2034	0	0	0	0	0	0
24	2035	0	0	0	0	0	0
25	2036	0	0	0	0	0	0
26	2037	0	0	0	0	0	
27	2038	0	0	0	0	0	0
28	2039	0	0	0	00	0	
29	2040	0	0	0	0	0	0
30	2041	0	0	0	0	0	
31	2042	0	0	0	0	0	0
32	2043	0	0	0	0	0	
33	2044	0	0	0	0	0	0
34	2045	0	0 0	0	0	0	0

Attachment 1 Docket No. 87-166-TF Page 3 of 3

Entergy Arkansas, Inc. ANO Decommissioning Model Trust Balance Summary (\$000)

Line				
No	Year	ANO 1	ANO 2	Both Units
1	2011	306,406	239,972	546,378
2	2012	324,175	253,883	578,058
3	2013	343,142	268,733	611,874
4	2014	363,997	285,061	649,058
5	2015	387,322	303,322	690,644
6	2016	412,623	323,131	735,753
7	2017	439,663	344,301	783,964
8	2018	468,567	366,931	835,498
9	2019	499,470	391,126	890,596
10	2020	532,567	417,038	949,606
11	2021	567,969	444,756	1,012,725
12	2022	605,902	474,454	1,080,356
13	2023	646,495	506,236	1,152,731
14	2024	689,942	540,252	1,230,195
15	2025	736,525	576,724	1,313,249
16	2026	786,483	615,837	1,402,321
17	2027	840,076	657,796	1,497,872
18	2028	897,495	702,751	1,600,246
19	2029	959,211	751,071	1,710,282
20	2030	1,025,471	802,948	1,828,419
21	2031	1,096,627	858,659	1,955,286
22	2032	1,168,191	918,236	2,086,427
23	2033	1,234,679	981,949	2,216,628
24	2034	1,233,132	1,050,084	2,283,216
25	2035	1,097,872	1,122,949	2,220,821
26	2036	899,142	1,196,231	2,095,373
27	2037	772,521	1,264,316	2,036,837
28	2038	691,981	1,282,401	1,974,383
29	2039	604,983	1,196,868	1,801,852
30	2040	598,999	968,406	1,567,405
31	2041	618,015	790,906	1,408,921
32	2042	637,674	669,760	1,307,434
33	2043	658,001	539,064	1,197,065
34	2044	641,638	470,397	1,112,034
35	2045	624,953	413,588	1,038,541
36	2046	569,991	298,416	868,407

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF ARKANSAS POWER &)	
LIGHT COMPANY'S PROPOSED NUCLEAR)	
DECOMMISSIONING COST RIDER M26)	DOCKET NO. 87-166-TF
AND PROPOSED DEPRECIATION RATE)	
REDUCTION RIDER M41)	

SUPPLEMENTAL TESTIMONY

OF

REBECCA L. BOWDEN

REGULATORY PROJECT COORDINATOR

ENTERGY SERVICES, INC.

ON BEHALF OF ENTERGY ARKANSAS, INC.

1	I.	INTRODUCTION AND BACKGROUND
2	Q.	PLEASE STATE YOUR NAME.
3	A.	My name is Rebecca L. Bowden.
4		
5	Q.	ARE YOU THE SAME REBECCA L. BOWDEN WHO FILED DIRECT
6		TESTIMONY IN THIS DOCKET ON MARCH 31, 2009, REBUTTAL
7		TESTIMONY ON AUGUST 14, 2009, AND SUPPLEMENTAL
8		TESTIMONY ON NOVEMBER 1, 2010?
9	A.	Yes.
10		
11	Q.	ON WHOSE BEHALF ARE YOU TESTIFYING?
12	A.	I am testifying on behalf of Entergy Arkansas, Inc. ("EAI" or the
13		"Company").
14		
15	Q.	WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?
16	A.	My supplemental testimony in this docket explains the Company's 2011
17		Arkansas Nuclear One ("ANO") Decommissioning Cost Rider ("Rider
18		NDCR") Update. Attached as EAI Exhibit RLB-10 is the 2011 Rider
19		NDCR Attachment 1, which contains: (1) the revised Attachment A to
20		Rider NDCR reflecting the decommissioning rate adjustments for the
21		billing period January 2012 through December 2012, (2) the associated

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ANO Decommissioning Revenue Requirement Summary, and (3) a

Summary of the Decommissioning Trust Fund Balances for both ANO units. The Company's proposal is that the Rider NDCR rate will remain at \$0.0000/kWh (\$0.00/kW for the Large General Service Rate Class).

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II.

RIDER NDCR REVENUE REQUIREMENT AND RATES

- 6 Q. PLEASE DESCRIBE RIDER NDCR.
- 7 Α. Rider NDCR is an exact recovery rider that recovers a levelized-real 8 (inflation adjusted) revenue requirement necessary to fund the 9 decommissioning trusts for ANO Units 1 and 2. Rate adjustments are 10 redetermined annually in order to assure that sufficient funds exist to 11 decommission both ANO Units at the end of their operating lives. The redetermination requires many inputs, including projected trust fund 12 13 balances as of December 31 of the filing year, projected trust fund 14 earnings and inflation rates, decommissioning cost estimates and the 15 operating life of each unit. The annual Rider NDCR update is filed on or 16 before November 1 each year with rates effective the first billing cycle of 17 the following January.

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- 19 Q. PLEASE PROVIDE AN UPDATE ON THE POUROVER OF THE ANO
 20 NON-TAX QUALIFIED TRUST FUND BALANCES TO THE ANO TAX
 21 QUALIFIED TRUST FUND.
- 22 A. The pourover was completed in March 2011. <u>EAI Exhibit RLB-11</u>
 23 contains a schedule comparing the actual pourover and net tax benefits to

the estimate provided in <u>EAI Exhibit RLR-2</u> attached to EAI witness Rory L. Roberts' Direct Testimony filed on March 31, 2009 in this docket. The schedule shows the amount of variation between the actual amount of the net tax benefits and the estimated amount. The schedule also provides an explanation of the variation for each line.

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Q. PLEASE DESCRIBE THE RESULTS OF THE 2011 RIDER NDCR
 UPDATE.

The decommissioning revenue requirement for 2011 is zero because the projected trust fund balances exceed the current escalated decommissioning cost estimate. Based on the 2011 inputs, once the decommissioning process is complete, which is currently estimated to be in 2046; the accumulated excess trust fund balance is estimated to be \$570.0 million for Unit 1 and \$298.4 million for Unit 2 (combined \$868.4 million). These estimates are based on current assumptions as to trust fund earnings rates, trustee and investment management fees, nuclear cost escalation rates, 1 the Decommissioning Cost Estimate (2008 dollars) approved in Order No. 50 in this docket, and the currently approved Nuclear Regulatory Commission license expiration dates of 2034 and 2038 for ANO Unit 1 and ANO Unit 2, respectively.

¹ Under the terms of the tariff, the cost of decommissioning ANO is assumed to escalate at a rate equivalent to the Consumer Price Index – Urban.

Entergy Arkansas, Inc.
Supplemental Testimony of Rebecca L. Bowden

Docket No. 87-166-TF

The beginning trust fund balances are projected balances as of December 31, 2011, based on the actual balances in the funds as of June 30, 2011. The projected earnings rates and trust fund balances are based on earnings assumptions as of September 30, 2011.

6 Q. WHAT IS THE EFFECT ON THE RIDER NDCR RATE DUE TO THE

7 2011 UPDATE?

A. The dollar per kWh (kW for Large General Service) rates proposed to be effective beginning January 2012 as compared to the currently effective rates for each Rate Class are shown in Table 1.

Table 1 Rider NDCR Rate Update for 2012 Currently

Rate Class	Proposed	Effective	Change
Residential kWh	\$0.00000	\$0.00000	\$0.00000 per kwh
Small General Service kWh	\$0.00000	\$0.00000	\$0.00000 per kwh
Large General Service kW	\$0.00	\$0.00	\$0.00 per kW
Lighting kWh	\$0.00000	\$0.00000	\$0.00000 per kwh

Q. HOW MANY CUSTOMERS WILL BE AFFECTED BY THIS CHANGE?

A. All of the Company's retail customers will be affected. At the end of September 2011, that number was 701,636.

- 1 Q. WHAT IS THE TOTAL REVENUE EFFECT OF THIS UPDATE?
- 2 A. The Rider NDCR decommissioning revenue requirement and rate remain
- at a zero level; therefore, the revenue effect of the 2011 Rider NDCR
- 4 Update is zero.

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- 6 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?
- 7 A. Yes, it does.

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF ARKANSAS POWER &)	
LIGHT COMPANY'S PROPOSED NUCLEAR)	
DECOMMISSIONING COST RIDER M26)	DOCKET NO. 87-166-TF
AND PROPOSED DEPRECIATION RATE)	
REDUCTION RIDER M41)	

EAI EXHIBIT RLB-10

ANO DECOMMISSIONING COST RIDER NDCR UPDATE

ATTACHMENT 1

Attachment 1 Docket No. 87-166-TF Page 1 of 3

Order No.:

Effective: January 2012

Attachment A to Rate Schedule No. 37 Page 1 of 1 Schedule Sheet 1 of 1

ATTACHMENT A

The Net Monthly Rates set forth in EAI's schedules identified below will be increased by the following Rate Adjustments amounts during the billing months of January 2012 through December 2012:

(CT) (CT)

Rate Class	Rate Schedules	Rate Adjustment
ANO-1		
Residential	RS, RT, REMT	\$0.00000 per kWh
Small General Service	SGS, GFS, MP, AP, CTV,	
	SMWHR, CGS, TSS	\$0.00000 per kWh
Large General Service	LGS, LPS, GST, PST	\$0.00 per kW
Lighting	L1, L4, L1SH	\$0.00000 per kWh
ANO-2		
Residential	RS, RT, REMT	\$0.00000 per kWh
Small General Service	SGS, GFS, MP, AP, CTV,	
	SMWHR, CGS, TSS	\$0.00000 per kWh
Large General Service	LGS, LPS, GST, PST	\$0.00 per kW
Lighting	L1, L4, L1SH	\$0.00000 per kWh

Attachment 1 Docket No. 87-166-TF Page 2 of 3

Entergy Arkansas, Inc. ANO Decommissioning Model Revenue Requirement Summary (\$000)

		Unit 1 Unit 2		12	Both Units		
Line		Total	Arkansas	Total	Arkansas	Total	Arkansas
No	Year	Company [1]	Retail [2]	Company [1]	Retail [2]	Company	Retail [2]
1	2012	0		0	0	0	
2	2013	0	0	0	0	0	0
3	2014	0	0	0	0	0	0
4	2015	0	0	0	0	0	0
5	2016	0	0	0	0	0	0
6	2017	0	0	0	0	0	0
7	2018	0	0	0	0	0	0
8	2019	0	0	0	0	0	0
9	2020	0	0	0	0	0	0
10	2021	0	0	0	0	0	0_
11	2022	0	0	0	0	0	
12	2023	0	0	0	0	0	0
13	2024	0	0	0	0	0	0
14	2025	0	0	0	0	0	0
15	2026	0	0	0	0	0	0
16	2027	0	0	0	0	0	0
17	2028	0	0	0	0	0	0
18	2029	0	0	0	0	0	0
19	2030	0	0	0	0	0	0
20	2031	0	0	0	0	0	0
21	2032	0	0	0	0	0	0
22	2033	0	0	0	0	0	0
23	2034	0	0	0	0	0	0
24	2035	0	0	0	0	0	0
25	2036	0	0	0	0	0	0
26	2037	0	0	0	0	0	0
27	2038	0	0	0	0	0	0
28	2039	0	0	0	0	0	0_
29	2040	0	0	0	0	0	0
30	2041	0	0	0	0	0	
31	2042	0	0	0	0	0	0
32	2043		0	0	0	0	0
33	2044	0	0	0	0	0	0
35	2045	0	0	0		0	0
35	2046	0	0	0	0	0	U

Attachment 1 Docket No. 87-166-TF Page 3 of 3

Entergy Arkansas, Inc. ANO Decommissioning Model Trust Balance Summary (\$000)

Line No	Year	ANO 1	ANO 2	Both Units
1	2011	306,406	239,972	546,378
2	2012	324,175	253,883	578,058
3	2013	343,142	268,733	611,874
4	2014	363,997	285,061	
5	2015	387,322		649,058
6	2016		303,322	690,644
7		412,623	323,131	735,753
	2017	439,663	344,301	783,964
8	2018	468,567	366,931	835,498
9	2019	499,470	391,126	890,596
10	2020	532,567	417,038	949,606
11	2021	567,969	444,756	1,012,725
12	2022	605,902	474,454	1,080,356
13	2023	646,495	506,236	1,152,731
14	2024	689,942	540,252	1,230,195
15	2025	736,525	576,724	1,313,249
16	2026	786,483	615,837	1,402,321
17	2027	840,076	657,796	1,497,872
18	2028	897,495	702,751	1,600,246
19	2029	959,211	751,071	1,710,282
20	2030	1,025,471	802,948	1,828,419
21	2031	1,096,627	858,659	1,955,286
22	2032	1,168,191	918,236	2,086,427
23	2033	1,234,679	981,949	2,216,628
24	2034	1,233,132	1,050,084	2,283,216
25	2035	1,097,872	1,122,949	2,220,821
26	2036	899,142	1,196,231	2,095,373
27	2037	772,521	1,264,316	2,036,837
28	2038	691,981	1,282,401	1,974,383
29	2039	604,983	1,196,868	1,801,852
30	2040	598,999	968,406	1,567,405
31	2041	618,015	790,906	1,408,921
32	2042	637,674	669,760	1,307,434
33	2043	658,001	539,064	1,197,065
34	2044	641,638	470,397	1,112,034
35	2045	624,953	413,588	1,038,541
36	2046	569,991	298,416	868,407

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

)	
)	
)	DOCKET NO. 87-166-TF
)	
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EAI EXHIBIT RLB-11

ANO DECOMMISSIONING COST RIDER NDCR UPDATE

POUROVER COMPARISON OF ACTUAL TO EAI EXHIBIT RLR-2

APSC FILED Time: 11/1/2011 11:46:29 AM: Recvd 11/1/2011 11:45:08 AM: Docket 87-166-tf-Doc. 257

EAI Exhibit RLB -11 Docket No. 87-166-TF

Page 1 of 1

Entergy Arkansas, Inc. ANO Decommissioning Trust Funds Actual Pourover Comparison to Exhibit RLR-2

(\$)

			(\$)		
				Pourover Co	mparison
Line		A	B Estimate Per	С	
No.		Actual	Exhibit RLR-2	Variation	Explanation / Reference
10.	- ANO 1	Actual	LAMBIC ICEN-2	Variation	Lxpialiation / Reference
1	Effective tax rate	39.225%	39.230%	-0.005%	Rounding
					•
2	NTQ Fund Assets	33,742,854	33,297,724	445,130	Increase in cost basis of assets.
3	NTQ Income received after 9-30-2010	31,566	0	31,566	Income received after pourover.
	NTQ Expenses paid after 9-30-2010	(17,196)	0	(17,196)	Expenses paid after pourover.
5	Realized gain	17,140,234	6,117,414	11,022,820	Increase in FMV of assets.
ô	Contribution of estimated tax benefit	21,787,365	21,495,305	292,060	Increase in tax benefit. See Ln 11
7	Total Pourover Amount Contributed	72,684,823	60,910,443	11,774,380	Increase in pourover. Sum of Lns 2 thru 6
3	Deduction for contribution	72,684,823	60,910,443	11,774,380	Increase in pourover. See Ln 7
9					Increase in FMV of assets. See Ln 5
	Less Realized gain	(17,140,234)	(6,117,414)	(11,022,820)	
0	Tax deduction	55,544,589	54,793,029	751,560	Increase in tax deduction. Ln 8 + Ln 9
1	Calculated tax benefit (L1 * Ln 10)	21,787,365	21,495,305	292,060	Increase in tax deduction.
	ANO 2				
2	Effective tax rate	39.225%	39.230%	-0.005%	Rounding
3	NTQ Fund Assets	13,525,124	13,356,035	169,089	Increase in cost basis of assets.
4	NTQ Income received after 9-30-2010	12,893	0	12,893	Income received after pourover.
5	NTQ Expenses paid after 9-30-2010	(6,526)	0	(6,526)	Expenses paid after pourover.
6	Realized gain	7,258,110	2,753,051	4,505,059	Increase in FMV of assets.
7	Contribution of estimated tax benefit	8,733,406	8,621,972	111,434	Increase in tax benefit. See Ln 22
8	Total Pourover Amount Contributed	29,523,007	24,731,058	4,791,949	Increase in pourover. Sum of Lns 13 thru 17
9	Deduction for contribution	29,523,007	24,731,058	4,791,949	Increase in pourover. See Ln 18
0	Less Realized gain	(7,258,110)	(2,753,051)	(4,505,059)	Increase in FMV of assets. See Ln 16
1	Tax deduction	22,264,897	21,978,007	286,890	Increase in tax deduction. Ln 19 + Ln 20
2	Calculated tax benefit (L12 * Ln 21)	8,733,406	8,621,972	111,434	Increase in tax deduction.
				and with resident to the Or	islified Tough Event
	Contributions by Year	2010	2011	ontribution to the Qu 2012	Total Reference
3	ANO 1 actual contribution to Qualified Trust	72,684,823	0	0	72,684,823 See Ln 7 Col A for Total
4	ANO 1 estimate per Exhibit RLR-2	39,415,138	21,495,305	0	60,910,443 See Ln 7 Col B
5	Variation	33,269,685	(21,495,305) (1)	0	11,774,380 See Ln 7 Col C
3	ANO 2 actual contribution to Qualified Trust	23,700,736	5,822,271	0	29,523,007 See Ln 18 Col A for Total
,	ANO 2 estimate per Exhibit RLR-2	16,109,086	5,747,981	2,873,991	24,731,058 See Ln 18 Col B
3	Variation	7,591,650	74,290	(2,873,991) (1)	4,791,949 See Ln 18 Col C
9	Total Pourover Amount Contributed	96,385,559	5,822,271	0	102,207,830 Ln 23 + Ln 26

Notes:

⁽¹⁾ Contribution of tax benefit was made quicker than estimated.

VERIFICATION

STATE OF ARKANSAS COUNTY OF PULASKI

NOW BEFORE ME, the undersigned authority, personally came and appeared,

REBECCA L. BOWDEN

who, after being duly sworn by me, did depose and say:

That the above and foregoing is her sworn testimony in this proceeding and that she knows the contents thereof, that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, she verily believes them to be true.

Rebecca L. Bowden

NOTARY CERTIFICATION

Notary Public

My Commission expires: 4-26-15

CERTIFICATE OF SERVICE

I, Tucker Raney, do hereby certify that a copy of the foregoing has been served upon all parties of record by forwarding the same by electronic mail and/or first class mail, postage prepaid, this 1st day of November 2011.

/s/ Tucker Raney
Tucker Raney

DOCUMENTS FILED BY EAI WITH THE ARKANSAS PUBLIC SERVICE COMMISSION ON NOVEMBER 1, 2011 IN APSC DOCKET NO. 11-156-TF

EAI'S GRAND GULF RIDER GGR UPDATE (RATE SCHEDULE NO. 42)

Arkansas Public Service Commission Tariff ("TF") Docket Summary Cover Sheet Must be filed with each new TF docket filed at the Commission

Form completed by: <u>Tucker Raney</u> Date: <u>11/01/11</u>

Representing: EAI



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

Steven K. Strickland Vice President Regulatory Affairs

November 1, 2011

Ms. Jan Sanders, Secretary Arkansas Public Service Commission P. O. Box 400 Little Rock, AR 72203-0400

Re:

APSC Docket No. 11-156-TF Grand Gulf Rider GGR Update

Dear Ms. Sanders:

Pursuant to the terms of the Grand Gulf Rider GGR (Rider GGR) and the Stipulation and Settlement Agreement approved by the Arkansas Public Service Commission in its Order No. 26 in Docket No. 84-249-U, as modified by the Amendment to the Stipulation and Settlement Agreement approved by the Commission in Docket No. 88-115-TF, as further modified by the Settlement Agreement approved by the Commission in Docket No. 00-177-U, please find attached for filing with the Commission the Direct Testimony of Rebecca L. Bowden and EAI Exhibit RLB-1 that includes the following:

Attachment A

A fourteenth revised Sheet 42.2 of the Rider GGR, which includes revised Net Monthly Rates to become effective with the first billing cycle of January 2012. Based on projected 2012 billing units, the proposed rate change from the rate in effect since January 2011 will result in an annual estimated increase to Arkansas retail ratepayers of approximately \$15.4 million. This is the result of a \$14.9 million increase in projected Grand Gulf demand revenue requirement and a smaller offset of \$0.5 million in the over-recovery balance as compared to those balances in September 2010.

Ms. Jan Sanders Page 2 November 1, 2011

Attachment B

A summary of the Rider GGR Revenue Requirement for 2012, which reflects the over-recovery adjustment for the October 2010 through September 2011 true-up period and the projected Grand Gulf capacity costs for the year ended December 2012 including the Grand Gulf Accelerated Recovery Tariff Revenue Requirement for 2012.

For a typical residential customer using 1,000 kWh per month, the impact will be an increase of \$1.00 per month (1 percent).

A copy of this filing is being served electronically upon all parties to the Amendment to the Stipulation and Settlement Agreement dated September 16, 1988. Should you have any questions concerning this filing, please call me or David E. Hunt at (501) 377-4338.

Sincerely,

/s/ Steven K. Strickland

SKS/tlv Attachments

c: All Parties of Record

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF A PROPOSED)	
TARIFF REVISION FILED BY ENTERGY)	
ARKANSAS, INC. REGARDING THE)	DOCKET NO. 11-156-TF
GRAND GULF RIDER GGR)	

DIRECT TESTIMONY

OF

REBECCA L. BOWDEN

REGULATORY PROJECT COORDINATOR

ENTERGY SERVICES, INC.

ON BEHALF OF

ENTERGY ARKANSAS, INC.

1 I. INTRODUCTION AND BACKGROUND

- 2 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.
- 3 A. My name is Rebecca L. Bowden. My business address is 425 West
- 4 Capitol, Little Rock, Arkansas 72201. I am employed by Entergy Services,
- 5 Inc. ("ESI")¹ as Regulatory Project Coordinator.

6

- 7 Q. ON WHOSE BEHALF ARE YOU TESTIFYING?
- 8 A. I am testifying on behalf of Entergy Arkansas, Inc. ("EAI" or the
- 9 "Company").

10

- 11 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.
- 12 A. I hold Bachelor and Master of Science degrees in Accounting from
- Arkansas State University in Jonesboro, Arkansas. In addition, I hold an
- 14 Executive Master of Business Administration degree from the University of
- 15 Arkansas at Little Rock. I am a Certified Public Accountant ("CPA") in
- Arkansas and belong to the American Institute of Certified Public
- Accountants and the Arkansas Society of Certified Public Accountants.

18

19 Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE.

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

A. I was employed as an Accountant by the regional CPA firm of Baird, Kurtz & Dobson from January 1984 until October 1987. My responsibilities as a Staff Accountant and Senior Accountant were primarily in the Tax Department.

In October 1987, I went to work for Arkansas Power & Light Company (now EAI), as a Staff Accountant II in the Finance Department. In October 1988, I was promoted to Accountant. In Finance, my assignments included development and presentation of financial analyses related to EAI's external decommissioning trust funds. In addition, I was involved in the preparation of EAI's annual report, Securities and Exchange Commission filings, long-term financings and other special projects.

In August 1991, I went to work in EAI's Corporate Budgets and Analysis Department. As an Accountant and later a Senior Accountant, I was responsible for coordinating and preparing EAI's financial forecasts and for analyzing and interpreting both historical and projected financial and operating results.

In January 1993, I accepted the position of Senior Rate Analyst in the Regulatory Support Department with ESI. In January 1997, I was promoted to Senior Lead Rate Analyst and later to Senior Staff Rate Analyst where I was responsible for the preparation of cost-of-service studies for the Entergy Operating Companies, formula rate plan updates, the development of formula rates and nuclear decommissioning and

> Grand Gulf revenue requirement analyses for the Operating Companies. I also prepared special analyses and other revenue requirement analyses for the Operating Companies.

> In January 2004, I was promoted to the position of Regulatory Project Coordinator in the Regulatory Strategy Department of ESI. As a Regulatory Project Coordinator, I was responsible for developing exact recovery riders and various analyses related to revenue requirement and rate issues.

> In April 2006, I returned to Revenue Requirements & Analyses (formerly Regulatory Support) where I am responsible for various revenue requirement analyses including the nuclear decommissioning and Grand Gulf revenue requirement analyses for the Operating Companies.

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Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE A REGULATORY COMMISSION?

16 Α. I provided testimony as an expert witness before the Arkansas Public Service Commission ("APSC" or the "Commission") in Docket Nos. 17 18 87-166-TF, 94-449-U, and 10-088-TF on issues related to the EAI Decommissioning Cost Rider, the disposition of a credit AP&L received 19 from System Energy Resources, Inc. ("SERI")² as the result of a Federal 20 Energy Regulatory Commission ("FERC") order and the EAI Grand Gulf

² SERI has a 90 percent ownership and leasehold interest in the Grand Gulf Nuclear Station. The remaining portion of the plant is owned by the South Mississippi Electric Power Association.

Rider. In addition, I provided testimony before the Mississippi Public

Service Commission in Docket No. 96-UA-389 on issues related to cost
of-service studies.

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Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. My direct testimony in this docket explains the Company's 2011 Grand
Gulf Rider ("Rider GGR") update. The results of the 2011 Rider GGR
update are summarized in <u>EAI Exhibit RLB-1</u>, which contains: (1) the
proposed Attachment A to Rider GGR reflecting the rate adjustments for
the billing period January 2012 through December 2012 and (2)
Attachment B which is the Rider GGR Revenue Requirement Summary.

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II. GRAND GULF RIDER REVENUE REQUIREMENT AND RATES

14 Q. PLEASE DESCRIBE RIDER GGR.

Rider GGR is an exact recovery rider that recovers the demand charges associated with EAI's purchased power from SERI in accordance with the Stipulation and Settlement Agreements in APSC Docket Nos. 84-249-U, 88-115-TF, 96-360-U, and 09-084-U.

Beginning in January 1999, an accelerated depreciation schedule for EAI's allocation of Grand Gulf went into effect, as specified in the Grand Gulf Accelerated Recovery Tariff ("GGART") and approved by the APSC in Docket No. 96-360-U and by the FERC in Docket No. ER98-1917-000. The GGART was revised in APSC Docket No. 00-328-TF

(FERC Docket No. ER01-1287) to terminate the accelerated recovery of Grand Gulf charges as of July 1, 2001. EAI retail customers receive a credit in the annual Rider GGR rate redetermination associated with the GGART.

Rider GGR provides that an annual update be filed on or before November 1 each year with rates effective the first billing cycle of the following January, reflecting projected Grand Gulf demand-related costs for the coming calendar year and a true-up of the over/under-recovery balance for the period October through September of the filing year.

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- 11 Q. PLEASE DESCRIBE THE RESULTS OF THE 2011 RIDER GGR
 12 UPDATE.
- 13 A. The Grand Gulf revenue requirement for 2012 is \$123.9 million, which
 14 reflects an over-recovery balance of \$4.8 million for the 12 months ended
 15 September 30, 2011, and a projected Grand Gulf demand revenue
 16 requirement of \$128.7 million for the year ended December 31, 2012.

17

- 18 Q. WHAT IS THE EFFECT ON THE RIDER GGR RATE DUE TO 2011
 19 UPDATE?
- 20 A. The dollar per kWh (kW for Large General Service) rates proposed to be
 21 effective beginning January 2012 as compared to the currently effective
 22 rates for each Rate Class are shown in Table 1.

23

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Table 1 Rider GGR Rate Update for 2012

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			Currently		
	Rate Class	Proposed	Effective	Change	
•					
	Residential kWh	\$0.00749	\$0.00649	\$0.00100 per kwh	
	Small General Service kWh	\$0.00660	\$0.00586	\$0.00074 per kwh	
	Large General Service kW	\$1.96	\$1.79	\$0.17 per kW	
	Lighting kWh	\$0.01043	\$0.00894	\$0.00149 per kwh	

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- Q. HOW MANY CUSTOMERS WILL BE AFFECTED BY THIS CHANGE?
- A. All of the Company's retail customers will be affected. At the end of September 2011, that number was 701,636.

9

- 10 Q. WHAT IS THE PRIMARY REASON FOR THE INCREASE IN THE RIDER
 11 GGR RATE?
- 12 A. The projected Grand Gulf demand revenue requirement includes, among
 13 other things, the projected cost for significant capital investments in the
 14 Grand Gulf nuclear plant. The costs of these investments are reflected in
 15 the updated rate.

16

- 17 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
- 18 A. Yes, it does.

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF A PROPOSED)	
TARIFF REVISION FILED BY ENTERGY)	
ARKANSAS, INC. REGARDING THE)	DOCKET NO. 11-156-TF
GRAND GULF RIDER GGR)	

EAI EXHIBIT RLB-1

GRAND GULF RIDER GGR UPDATE

ATTACHMENTS A AND B

ARKANSAS PUBLIC SERVICE COMMISSION

14th Revised Sheet No. 42.2 Schedule Sheet 2 of 3

Replacing: 13th Revised Sheet No. 42.2

Entergy Arkansas, Inc.

Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 11-156-TF

Order No.:

Effective: January 2012

Part III. Rate Schedule No. 42

Title: Grand Gulf Rider (GGR)

PSC File Mark Only

The Net Monthly Rates for Grand Gulf demand related costs for the billing period from January 2012 through December 2012 will be as follows:

(CT)

Rate Class	Rate Schedules	Net Monthly Rate	
Residential	RS, RT, REMT	\$0.00749 per kWh	(CR)
Small General Service	SGS, GFS, MP, AP, CTV, SMWHR CGS, TSS	\$0.00660 per kWh	(CR)
Large General Service Lighting	LGS, GST, LPS, PST L1, L4, L1SH	\$1.96 per kW \$0.01043 per kWh	(CR) (CR)

42.3. PROCEDURES FOR RECOVERY OF GRAND GULF COSTS

- 42.3.1. On or before November 1 of 1998 and each succeeding year thereafter, the Company will file with the APSC a revision to this Grand Gulf Rider which will reflect the demand related Grand Gulf costs which are projected to be incurred over the twelve-month period beginning on January 1 of the following year and will also file new Net Monthly Rates necessary to recover such costs to become effective on the first billing cycle of January of such year. These new Net Monthly Rates will reflect a true-up of any prior over or under recovery of such costs as determined in § 42.3.6 below. In the revision to this Grand Gulf Rider (GGR) filed with the APSC, the 36% allocation to EAI will be further allocated based on the percentages embodied in the Stipulation and Settlement Agreement as the Current Recovery Share and the Retained Share.
- **42.3.2.** The Current Recovery Share allocated to the Company's Arkansas retail customers will be recovered on a current basis.

Attachment B

ENTERGY ARKANSAS, INC. 2011 GRAND GULF RIDER (RIDER GGR) UPDATE REVENUE REQUIREMENT SUMMARY

LINE NO.	-	
1	(OVER)/UNDER RECOVERY BALANCE AT SEPTEMBER 30, 2011	(\$4,835,725)
2	PROJECTED GRAND GULF DEMAND REVENUE REQUIREMENT	128,692,039
3	TOTAL RIDER GGR REVENUE REQUIREMENT FOR 2012	\$123,856,314

VERIFICATION

STATE OF ARKANSAS

COUNTY OF PULASKI

NOW BEFORE ME, the undersigned authority, personally came and appeared,

REBECCA L. BOWDEN

who, after being duly sworn by me, did depose and say:

That the above and foregoing is her sworn testimony in this proceeding and that she knows the contents thereof, that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, she verily believes them to be true.

Rebecca L. Bowden

NOTARY CERTIFICATION

Notary Public-

My Commission expires: 4-26-15

CERTIFICATE OF SERVICE

I, Tucker Raney, do hereby certify that a copy of the foregoing has been served upon all parties of record by forwarding the same by electronic mail and/or first class mail, postage prepaid, this 1st day of November 2011.

/s/ Tucker Raney
Tucker Raney