

GULF STATES UTILITIES COMPANY
 TRAVEL COSTS
 OCTOBER, 1988 THROUGH SEPTEMBER, 1991

MONTH	NAME OF INDIVIDUAL	AFFILIATION OF INDIVIDUAL	NUMBER OF TRAVEL DAYS	NUMBER OF LODGING DAYS	TOTAL REPORTED EXPENSES
August, 1990	Stuart, William	GSU	n/a	4	\$ 250.11
	Swope, David	GSU	n/a	4	316.68
				TOTAL	\$ 566.79
September, 1990	Randazzo, Joseph	GSU	5	4	\$ 281.74
				TOTAL	\$ 281.74
October, 1990	Randazzo, Joseph	GSU	7	n/a	\$ 268.80
				TOTAL	\$ 268.80
			1990 TOTAL		\$12,854.78

N/A - Not Available
 n/a - Not Applicable

GULF STATES UTILITIES COMPANY
TRAVEL COSTS
OCTOBER, 1988 THROUGH SEPTEMBER, 1991

MONTH	NAME OF INDIVIDUAL	AFFILIATION OF INDIVIDUAL	NUMBER OF TRAVEL DAYS	NUMBER OF LODGING DAYS	TOTAL REPORTED EXPENSES
March, 1991	Moeller, William	GSU	2	1	\$ 189.02
				TOTAL	\$ 189.02
April, 1991	Juneau, Jon	GSU	20	n/a	\$ 222.60
	Juneau, Jon	GSU	20	n/a	222.60
				TOTAL	\$ 445.20
May, 1991	Juneau, Jon	GSU	n/a	16	\$ 1,816.30
	Leatherwood, Lynn	GSU	3	n/a	470.40
				TOTAL	\$ 2,286.70
June, 1991	Juneau, Jon	GSU	n/a	19	\$ 2,613.51
	Leatherwood, Lynn	GSU	n/a	2	281.30
				TOTAL	\$ 2,894.81
July, 1991	Egan, John	GSU	4	3	\$ 464.80
	Moeller, William	GSU	Adj.	Adj.	(189.02)
	Oliphant, Thomas	GSU	4	3	436.10
				TOTAL	\$ 711.88
August, 1991	Boyle, Brian	GSU	4	n/a	\$ 508.90
	Egan, John	GSU	9	N/A	652.40
	Vo, Phu	GSU	4	n/a	442.40
				TOTAL	\$ 1,603.70
September, 1991	Boyle, Brian	GSU	n/a	3	\$ 286.02
	Vo, Phu	GSU	n/a	3	184.23
				TOTAL	\$ 470.25
				1991 TOTAL	\$ 8,601.56
				GRAND TOTAL	\$79,166.68

N/A - Not Available
n/a - Not Applicable

GULF STATES UTILITIES COMPANY
Fuel Management - Fuel Efficiency

Generating Plant Improvements

Refer to Schedule FR.D-3.

GULF STATES UTILITIES COMPANY
Fuel Management - Fuel Costs

Refer to Schedule FR.D-3.

GULF STATES UTILITIES COMPANY
Fuel Management - Efficiency Savings

Refer to Schedule FR.D-3.

GULF STATES UTILITIES COMPANY
FUEL MANAGEMENT - GENERAL

The Company has supplied all pertinent information in the accompanying schedules.

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
OCTOBER 1988			
SECONDARY			
SEASONAL AGRI	2,972,550	1.092202	3,246,625
OTHER	461,679,955	1.092202	504,247,770
PRIMARY			
SEASONAL AGRI	154,200	1.067224	164,566
OTHER	36,686,034	1.067224	39,152,216
69/138 KV	264,169,565	1.019922	269,432,351
230 KV	48,240,000	1.014096	48,919,991
TOTAL	813,902,304		865,163,519
NOVEMBER 1988			
SECONDARY			
SEASONAL AGRI	1,375,402	1.092202	1,502,217
OTHER	372,324,435	1.092202	406,653,493
PRIMARY			
SEASONAL AGRI	55,600	1.067224	59,338
OTHER	33,366,303	1.067224	35,609,319
69/138 KV	278,686,195	1.019922	284,238,181
230 KV	48,300,000	1.014096	48,980,837
TOTAL	734,107,935		777,043,385
DECEMBER 1988			
SECONDARY			
SEASONAL AGRI	620,023	1.092202	677,190
OTHER	396,085,022	1.092202	432,604,853
PRIMARY			
SEASONAL AGRI	34,600	1.067224	36,926
OTHER	35,873,367	1.067224	38,284,918
69/138 KV	269,476,540	1.019922	274,845,052
230 KV	40,860,000	1.014096	41,435,963
TOTAL	742,949,552		787,884,902
JANUARY 1989			
SECONDARY			
SEASONAL AGRI	121,090	1.092202	132,255
OTHER	403,414,902	1.092202	440,610,563
PRIMARY			
SEASONAL AGRI	24,000	1.067224	25,613
OTHER	37,186,522	1.067224	39,686,349
69/138 KV	283,484,737	1.019922	289,132,320
230 KV	49,190,000	1.014096	49,883,382
TOTAL	773,421,251		819,470,482

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
FEBRUARY 1989			
SECONDARY			
SEASONAL AGRI	165,915	1.092202	181,213
OTHER	406,637,937	1.092202	444,130,768
PRIMARY			
SEASONAL AGRI	28,400	1.067224	30,309
OTHER	35,163,707	1.067224	37,527,552
69/138 KV	255,667,934	1.019922	260,761,351
230 KV	45,850,000	1.014096	46,496,302
TOTAL	743,513,893		789,127,495
MARCH 1989			
SECONDARY			
SEASONAL AGRI	163,816	1.092202	178,920
OTHER	409,621,201	1.092202	447,389,095
PRIMARY			
SEASONAL AGRI	82,800	1.067224	88,366
OTHER	36,698,663	1.067224	39,165,694
69/138 KV	258,123,592	1.019922	263,265,930
230 KV	48,940,000	1.014096	49,629,858
TOTAL	753,630,072		799,717,863
APRIL 1989			
SECONDARY			
SEASONAL AGRI	160,018	1.092202	174,772
OTHER	372,397,824	1.092202	406,733,648
PRIMARY			
SEASONAL AGRI	732,400	1.067224	781,635
OTHER	35,509,477	1.067224	37,896,566
69/138 KV	278,446,074	1.019922	283,993,277
230 KV	45,550,000	1.014096	46,192,073
TOTAL	732,795,793		775,771,971
MAY 1989			
SECONDARY			
SEASONAL AGRI	145,713	1.092202	159,148
OTHER	401,788,887	1.092202	438,834,626
PRIMARY			
SEASONAL AGRI	1,128,800	1.067224	1,204,682
OTHER	36,807,713	1.067224	39,282,075
69/138 KV	285,417,909	1.019922	291,104,005
230 KV	50,830,000	1.014096	51,546,500
TOTAL	776,119,022		822,131,036

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
JUNE 1989			
SECONDARY			
SEASONAL AGRI	216,313	1.092202	236,257
OTHER	545,739,421	1.092202	596,057,687
PRIMARY			
SEASONAL AGRI	1,852,800	1.067224	1,977,353
OTHER	36,476,857	1.067224	38,928,977
69/138 KV	282,489,504	1.019922	288,117,260
230 KV	46,260,000	1.014096	46,912,081
TOTAL	913,034,895		972,229,615
JULY 1989			
SECONDARY			
SEASONAL AGRI	409,847	1.092202	447,636
OTHER	553,574,719	1.092202	604,615,415
PRIMARY			
SEASONAL AGRI	1,568,000	1.067224	1,673,407
OTHER	36,751,035	1.067224	39,221,587
69/138 KV	293,127,013	1.019922	298,966,689
230 KV	49,670,000	1.014096	50,370,148
TOTAL	935,100,614		995,294,882
AUGUST 1989			
SECONDARY			
SEASONAL AGRI	785,377	1.092202	857,790
OTHER	555,237,580	1.092202	606,431,595
PRIMARY			
SEASONAL AGRI	1,159,800	1.067224	1,237,766
OTHER	39,348,851	1.067224	41,994,038
69/138 KV	279,442,818	1.019922	285,009,878
230 KV	48,840,000	1.014096	49,528,449
TOTAL	924,814,426		985,059,516
SEPTEMBER 1989			
SECONDARY			
SEASONAL AGRI	2,828,013	1.092202	3,088,761
OTHER	584,977,606	1.092202	638,913,711
PRIMARY			
SEASONAL AGRI	602,600	1.067224	643,109
OTHER	39,314,576	1.067224	41,957,459
69/138 KV	289,970,824	1.019922	295,747,623
230 KV	46,530,000	1.014096	47,185,887
TOTAL	964,223,619		1,027,536,550

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
OCTOBER 1989			
SECONDARY			
SEASONAL AGRI	2,403,866	1.092202	2,625,507
OTHER	437,160,800	1.092202	477,467,900
PRIMARY			
SEASONAL AGRI	231,400	1.067224	246,956
OTHER	36,115,425	1.067224	38,543,248
69/138 KV	270,413,978	1.019922	275,801,165
230 KV	50,660,000	1.014096	51,374,103
TOTAL	796,985,469		846,058,879
NOVEMBER 1989			
SECONDARY			
SEASONAL AGRI	856,307	1.092202	935,260
OTHER	387,168,970	1.092202	422,866,723
PRIMARY			
SEASONAL AGRI	48,000	1.067224	51,227
OTHER	35,615,151	1.067224	38,009,344
69/138 KV	260,541,756	1.019922	265,732,269
230 KV	37,170,000	1.014096	37,693,948
TOTAL	721,400,184		765,288,771
DECEMBER 1989			
SECONDARY			
SEASONAL AGRI	518,608	1.092202	566,425
OTHER	436,092,828	1.092202	476,301,459
PRIMARY			
SEASONAL AGRI	29,200	1.067224	31,163
OTHER	35,501,908	1.067224	37,888,488
69/138 KV	264,937,631	1.019922	270,215,718
230 KV	42,960,000	1.014096	43,565,564
TOTAL	780,040,175		828,568,817
JANUARY 1990			
SECONDARY			
SEASONAL AGRI	156,903	1.092202	171,370
OTHER	495,812,344	1.092202	541,527,234
PRIMARY			
SEASONAL AGRI	23,600	1.067224	25,186
OTHER	35,270,273	1.067224	37,641,282
69/138 KV	252,017,671	1.019922	257,038,367
230 KV	65,995,000	1.014096	66,925,266
TOTAL	849,275,791		903,328,705

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
FEBRUARY 1990			
SECONDARY			
SEASONAL AGRI	91,353	1.092202	99,776
OTHER	368,671,585	1.092202	402,663,842
PRIMARY			
SEASONAL AGRI	40,000	1.067224	42,689
OTHER	34,061,464	1.067224	36,351,212
69/138 KV	268,441,550	1.019922	273,789,443
230 KV	55,753,000	1.014096	56,538,894
TOTAL	727,058,952		769,485,856
MARCH 1990			
SECONDARY			
SEASONAL AGRI	82,167	1.092202	89,743
OTHER	366,338,558	1.092202	400,115,706
PRIMARY			
SEASONAL AGRI	30,400	1.067224	32,444
OTHER	34,135,322	1.067224	36,430,035
69/138 KV	244,831,261	1.019922	249,708,789
230 KV	61,764,000	1.014096	62,634,625
TOTAL	707,181,708		749,011,342
APRIL 1990			
SECONDARY			
SEASONAL AGRI	87,713	1.092202	95,800
OTHER	359,155,034	1.092202	392,269,846
PRIMARY			
SEASONAL AGRI	202,400	1.067224	216,006
OTHER	37,035,214	1.067224	39,524,869
69/138 KV	282,152,262	1.019922	287,773,299
230 KV	64,417,000	1.014096	65,325,022
TOTAL	743,049,623		785,204,842
MAY 1990			
SECONDARY			
SEASONAL AGRI	77,533	1.092202	84,682
OTHER	430,097,604	1.092202	469,753,463
PRIMARY			
SEASONAL AGRI	906,000	1.067224	966,905
OTHER	37,366,289	1.067224	39,878,200
69/138 KV	277,982,687	1.019922	283,520,658
230 KV	61,855,000	1.014096	62,726,908
TOTAL	808,285,113		856,930,816

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
JUNE 1990			
SECONDARY			
SEASONAL AGRI	120,447	1.092202	131,552
OTHER	587,544,340	1.092202	641,717,103
PRIMARY			
SEASONAL AGRI	2,484,400	1.067224	2,651,411
OTHER	39,946,586	1.067224	42,631,955
69/138 KV	289,015,675	1.019922	294,773,445
230 KV	56,846,000	1.014096	57,647,301
TOTAL	975,957,448		1,039,552,767
JULY 1990			
SECONDARY			
SEASONAL AGRI	993,097	1.092202	1,084,663
OTHER	629,295,883	1.092202	687,318,222
PRIMARY			
SEASONAL AGRI	2,494,600	1.067224	2,662,297
OTHER	39,022,590	1.067224	41,645,845
69/138 KV	265,300,390	1.019922	270,585,704
230 KV	63,303,796	1.014096	64,196,126
TOTAL	1,000,410,356		1,067,492,857
AUGUST 1990			
SECONDARY			
SEASONAL AGRI	948,169	1.092202	1,035,592
OTHER	589,853,927	1.092202	644,239,639
PRIMARY			
SEASONAL AGRI	2,213,400	1.067224	2,362,194
OTHER	40,247,171	1.067224	42,952,747
69/138 KV	283,864,564	1.019922	289,519,714
230 KV	59,775,505	1.014096	60,618,101
TOTAL	976,902,736		1,040,727,987
SEPTEMBER 1990			
SECONDARY			
SEASONAL AGRI	1,951,699	1.092202	2,131,650
OTHER	636,474,544	1.092202	695,158,770
PRIMARY			
SEASONAL AGRI	1,017,000	1.067224	1,085,367
OTHER	41,584,087	1.067224	44,379,536
69/138 KV	272,946,997	1.019922	278,384,647
230 KV	55,593,982	1.014096	56,377,635
TOTAL	1,009,568,309		1,077,517,605

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195	KWH SALES @ PLANT
OCTOBER 1990			
SECONDARY			
SEASONAL AGRI	2,756,713	1.092202	3,010,887
OTHER	500,896,212	1.092202	547,079,845
PRIMARY			
SEASONAL AGRI	62,400	1.067224	66,595
OTHER	36,940,531	1.067224	39,423,821
69/138 KV	256,979,799	1.019922	262,099,351
230 KV	61,187,000	1.014096	62,049,492
TOTAL	858,822,655		913,729,991
NOVEMBER 1990			
SECONDARY			
SEASONAL AGRI	1,574,408	1.092202	1,719,572
OTHER	381,110,764	1.092202	416,249,939
PRIMARY			
SEASONAL AGRI	80,600	1.067224	86,018
OTHER	36,334,857	1.067224	38,777,431
69/138 KV	282,965,770	1.019922	288,603,014
230 KV	60,475,463	1.014096	61,327,925
TOTAL	762,541,862		806,763,899
DECEMBER 1990			
SECONDARY			
SEASONAL AGRI	706,448	1.092202	771,584
OTHER	404,885,975	1.092202	442,217,272
PRIMARY			
SEASONAL AGRI	36,400	1.067224	38,847
OTHER	33,883,355	1.067224	36,161,130
69/138 KV	250,000,638	1.019922	254,981,151
230 KV	55,466,000	1.014096	56,247,849
TOTAL	744,978,816		790,417,833
JANUARY 1991			
SECONDARY			
SEASONAL AGRI	253,552	1.092202	276,930
OTHER	498,233,641	1.092202	544,171,779
PRIMARY			
SEASONAL AGRI	62,800	1.067224	67,022
OTHER	35,309,946	1.067224	37,683,622
69/138 KV	267,799,201	1.019922	273,134,297
230 KV	65,469,040	1.014096	66,391,892
TOTAL	867,128,180		921,725,542

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 7195/8702	KWH SALES @ PLANT
FEBRUARY 1991			
SECONDARY			
SEASONAL AGRI	114,649	1.092202	125,220
OTHER	412,022,177	1.092202	450,011,446
PRIMARY			
SEASONAL AGRI	39,400	1.067224	42,049
OTHER	36,986,909	1.067224	39,473,317
69/138 KV	250,320,794	1.019922	255,307,685
230 KV	58,120,000	1.014096	58,939,260
TOTAL	757,603,929		803,898,977
MARCH 1991			
SECONDARY			
SEASONAL AGRI	133,148	1.097071	146,073
OTHER	373,240,024	1.097071	409,470,806
PRIMARY			
SEASONAL AGRI	41,600	1.070504	44,533
OTHER	33,786,011	1.070504	36,168,060
69/138 KV	247,072,110	1.020319	252,092,368
230 KV	70,786,000	1.014713	71,827,474
TOTAL	725,058,893		769,749,314
APRIL 1991			
SECONDARY			
SEASONAL AGRI	118,490	1.097071	129,992
OTHER	389,817,355	1.097071	427,657,315
PRIMARY			
SEASONAL AGRI	253,000	1.070504	270,838
OTHER	37,805,023	1.070504	40,470,428
69/138 KV	277,431,650	1.020319	283,068,784
230 KV	75,262,000	1.014713	76,369,330
TOTAL	780,687,518		827,966,687
MAY 1991			
SECONDARY			
SEASONAL AGRI	90,812	1.097071	99,627
OTHER	444,736,759	1.097071	487,907,801
PRIMARY			
SEASONAL AGRI	638,800	1.070504	683,838
OTHER	34,919,209	1.070504	37,381,153
69/138 KV	283,505,958	1.020319	289,266,516
230 KV	82,293,000	1.014713	83,503,777
TOTAL	846,184,538		898,842,712

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
KWH USAGE

BILLING MONTH	KWH SALES @ METER	LOSS FACTOR PER DOCKET NO. 8702	KWH SALES @ PLANT
JUNE 1991			
SECONDARY			
SEASONAL AGRI	164,995	1.097071	181,011
OTHER	558,915,981	1.097071	613,170,514
PRIMARY			
SEASONAL AGRI	1,767,800	1.070504	1,892,437
OTHER	35,211,315	1.070504	37,693,854
69/138 KV	287,732,787	1.020319	293,579,229
230 KV	56,676,000	1.014713	57,509,874
TOTAL	940,468,878		1,004,026,919
JULY 1991			
SECONDARY			
SEASONAL AGRI	712,818	1.097071	782,012
OTHER	627,652,506	1.097071	688,579,362
PRIMARY			
SEASONAL AGRI	2,354,400	1.070504	2,520,395
OTHER	36,232,919	1.070504	38,787,485
69/138 KV	296,661,921	1.020319	302,689,795
230 KV	62,987,480	1.014713	63,914,215
TOTAL	1,026,602,044		1,097,273,264
AUGUST 1991			
SECONDARY			
SEASONAL AGRI	1,307,013	1.097071	1,433,886
OTHER	640,140,613	1.097071	702,279,702
PRIMARY			
SEASONAL AGRI	2,179,600	1.070504	2,333,271
OTHER	37,781,474	1.070504	40,445,219
69/138 KV	309,694,365	1.020319	315,987,045
230 KV	57,235,000	1.014713	58,077,099
TOTAL	1,048,338,065		1,120,556,222
SEPTEMBER 1991			
SECONDARY			
SEASONAL AGRI	2,257,337	1.097071	2,476,459
OTHER	598,151,041	1.097071	656,214,161
PRIMARY			
SEASONAL AGRI	1,090,600	1.070504	1,167,492
OTHER	35,908,718	1.070504	38,440,426
69/138 KV	309,649,102	1.020319	315,940,862
230 KV	58,820,000	1.014713	59,685,419
TOTAL	1,005,876,798		1,073,924,819

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
INTRAClass ALLOCATION

Please refer to Schedule FR.L-1.

GULF STATES UTILITIES COMPANY
REFUND/SURCHARGE ALLOCATION
BILLING ADJUSTMENTS

If an amount of over/under recovery associated with this filing is determined by the Commission, a schedule will be developed during the compliance phase detailing the necessary billing adjustments.

Please refer to the testimony of Company witness, Mark W. Henkel, concerning the method of recovery.

GULF STATES UTILITIES COMPANY
FUEL SUPPLY ORGANIZATIONAL CHART

Refer to Schedule FR.A-1, except that all Fuel Supply personnel will ultimately report to J. L. Donnelly, Chief Executive Officer, during the forecast period.

GULF STATES UTILITIES COMPANY
POWER PLANT ORGANIZATIONAL CHART

Refer to Schedule FR.A-2, except that all Fuel Supply personnel will ultimately report to J. L. Donnelly, Chief Executive Officer, during the forecast period.

GULF STATES UTILITIES COMPANY
PURCHASE POWER ORGANIZATIONAL CHART

Refer to Schedule FR.A-3, except that all Fuel Supply personnel will ultimately report to J. L. Donnelly, Chief Executive Officer, during the forecast period.

GULF STATES UTILITIES COMPANY
FUEL SUPPLY AFFILIATE ORGANIZATION CHART

Refer to FR.A-04

GULF STATES UTILITIES COMPANY
PROFESSIONAL BIOGRAPHIES

Refer to FR.A-5

GULF STATES UTILITIES COMPANY
PROFESSIONAL SALARIES

Refer to FR.A-6

GULF STATES UTILITIES COMPANY
PROFESSIONAL BIOGRAPHIES

Refer to FR.A-7

GULF STATES UTILITIES COMPANY
FUEL PROCUREMENT PRACTICES AND PROCEDURES

Gulf States Utilities Company (Gulf States) purchases fossil fuels for its generating plants through its Fuel Services Department located in the corporate headquarters in Beaumont. Nuclear fuel purchases are administered by the River Bend Nuclear group, also located in the corporate headquarters in Beaumont. Below is a narrative of the fuel procurement practices and procedures followed by Gulf States in connection with both short-term and long-term fuel purchases. Additional information regarding fossil fuel procurement is included in Schedule FR.A-12.

GAS

It is Gulf States' policy to obtain gas supplies at the lowest reasonable cost while maintaining reliability of service. The Fuel Services Department has exerted efforts to maintain reliability of service by establishing a policy of securing two or more sources of supply to be available at each generating plant. In an effort to fulfill this policy, pipeline interconnections have been constructed over the past several years at or near each of the large gas burning plants on Gulf States' system to increase the number of potential suppliers. Gulf States now has four or more suppliers at each of its major gas burning power plants.

Suppliers are considered based on price offerings and based on their size, pipeline facilities and reputation for past dependable service. This history is most important with respect to long-term suppliers. With respect to short-term supplies, price is given the predominant consideration.

Several long-term gas supply contracts were entered into between 1982 and 1989. These long-term contracts were signed after soliciting proposals and negotiating with the most attractive suppliers. About 50 percent of Gulf States' gas requirements during the projected fuel year will be met by these long-term agreements.

The market for natural gas has been soft, which has made it possible to purchase low-cost short-term gas supplies. Gulf States has maximized its ability to participate in this favorable market because of its long-term contracts which have low take obligations. Additionally, numerous pipeline connections have been made at each plant to allow access to many suppliers. Gulf States has established and followed the policy of entering into the spot gas market on a frequent basis to take advantage of low gas prices. This has included signing contracts with a term of one month. As prices begin to stabilize and the availability of gas supplies moderate, the Company will consider contracting for multiple months in the short-term market, if necessary, to assure adequate supplies.

The Company divides its short-term purchases into two categories, a "percentage" category and a "spot" category. Proposals are solicited from numerous qualified suppliers for these two categories. In the percentage category, contracts are negotiated for a firm delivery of a percentage of the requirements of each generating station over and above firm long-term supplies. Gulf States' obligation to take gas under each percentage contract is for a lesser percentage than the supplier's delivery obligation. The spot contracts are interruptible and are awarded on the basis of bid price. The combination of long-term contracts and the multiple categories of short-term contracts provides reliability, flexibility and reasonable costs of gas supplies. Approximately 50 percent of Gulf States' gas requirements during the projected fuel year will be met by short-term supplies.

Invoices for gas takes are received monthly. Fuel Services personnel verify pricing against written contract terms, and verify sales volumes by comparing with gas check meter charts and meter inspections.

Fuel Services Department personnel stay abreast of the gas market through regular contact with representatives of gas suppliers and review of industry publications.

OIL

The economics of natural gas versus fuel oil are monitored on a continuing basis. In general, natural gas has been available to Gulf States at prices more favorable than oil. Gulf States maintains flexibility within its fuel supply contracts and operating facilities to burn residual oil if oil becomes more economical than gas.

There is a requirement to burn small amounts of #2 oil in Nelson 6 and Big Cajun 2, Unit 3 for start-up and flame stabilization. In addition, contingency supplies of oil are kept in inventory in the event of gas curtailments during severe cold weather. Inventory requirements are reviewed periodically to determine appropriate requirements.

In setting minimum and maximum oil inventory objectives, the oil inventory policy considers the general gas supply available and the probability of gas curtailments during the winter. Currently Gulf States' oil inventory is within the range prescribed by the oil inventory policy.

Gulf States' practice of buying oil is to request bids from an approved qualified bidders list. Bids are evaluated for quality, specification, cost, and expected ability of the supplier to perform. Contracts are then negotiated and awarded. Company fuel personnel stay abreast of the oil market through consultation with suppliers and review of industry information sources such as Platt's Oilgram.

Transportation of fuel oil is normally by barge. Gulf States' practice for delivering fuel oil is to request bids from an approved bidders list. Bids are evaluated on the basis of the type of equipment offered and the expected ability of the towing company to perform. If the fuel oil is available on an FOB-Destination basis, the cost thereof is compared to the cost of buying and transporting the oil on an FOB-Origin basis. Contracts are then negotiated and awarded. Oil deliveries are monitored by Fuel Services Department personnel, plant personnel and by independent inspectors to verify actual quantities and specifications. Prices are verified against written contract terms.

COAL

Gulf States purchases coal under a long-term contract with Kerr-McGee Coal Company which, to date, has supplied all of the needs of Nelson Unit 6. Pricing is established by the terms of that contract. Prices contained in monthly invoices are verified against written contract terms. Under a long-term contract with the Burlington Northern and Kansas City Southern railroads, this coal is shipped by unit train from Jacobs Ranch near Gillette, Wyoming to Nelson Unit 6 located in Lake Charles, Louisiana. Under these contracts, there is a significant amount of flexibility in take requirements to adjust for planned burn rates for the unit and Gulf States' inventory policy.

Gulf States' coal inventory policy generally takes into consideration the contract commitment, train operations, plant operations and maintenance, and possible supply interruptions due to work stoppages and severe weather. The policy followed by Gulf States is to maintain a minimum coal inventory level of 150,000 tons and a maximum inventory level in the range of 350,000 to 400,000 tons with an average inventory of 250,000 tons. The minimum inventory level is normally approached just prior to the start of scheduled major maintenance periods and the maximum level may be approached near the end of scheduled major maintenance periods.

Constant review of the coal market is maintained by Fuel Services personnel to assure that contract provisions related to renegotiations based on market prices may be implemented at such times as permitted by the agreement. Also, Gulf States' Internal Audit department performs an annual review of relevant supplier information to verify contract compliance.

Transportation is coordinated by Fuel Services personnel under an existing contract for rail carriage with the Burlington Northern and Kansas City Southern railroads. The price for transportation is established by the contract terms. Fuel Services personnel closely monitor performance under the contract terms. Scales at the mine are calibrated periodically in accordance with applicable government regulations, and overseen by State and Federal authorities as well as

by Gulf States' auditors. Delivery weights at the mine are verified by Gulf States personnel by comparing invoices to Bills of Lading. In addition, audits of the coal stockpile and coal burns are made periodically and compared against deliveries.

Cajun Electric Power Cooperative's (Cajun) Big Cajun 2 Station, consisting of three coal generating units, is supplied with coal purchased by Cajun under coal supply contracts with Triton Coal, a subsidiary of Shell Oil. Coal is transported to Big Cajun 2 under the Burlington Northern contract for rail shipments, and under the American Commercial Barge Line Western contract for terminal and barge shipments. Gulf States tracks the delivered cost of coal paid by Cajun to insure that it is market sensitive.

GSU owns a 42% share (or 227 mw) in Big Cajun 2, Unit 3. Since Cajun's three coal generating units share a common stockpile and GSU's ownership is in Unit 3 only, GSU is billed for 14% (Gulf States' ownership interest in Unit 3 relative to the total capacity of the station) of the total coal delivered. Cajun initially makes invoice payments to its suppliers and then invoices GSU for 14% of the coal received. GSU's Internal Audit department regularly schedules invoice verification audits where invoice data is verified for compliance with contract terms. Gulf States also monitors various other items such as plant maintenance costs, railcar maintenance costs and unit efficiency to ascertain the overall cost effectiveness of Big Cajun 2 Unit 3. Gulf States and Cajun hold regularly scheduled meetings to discuss coal procurement plans as they may affect Gulf States' ownership share of Big Cajun 2, Unit 3. Additionally, Gulf States monitors the coal inventory on a daily basis and insures that GSU's portion of the unit is dispatched in an efficient cost-effective manner.

NUCLEAR

Since February 7, 1989 Gulf States' nuclear fuel supply has been totally owned by River Bend Fuel Service Incorporated from which the fuel is purchased as it is "burned" in the River Bend unit. This new financing arrangement encompasses all GSU in process nuclear fuel

inventory and future contractual commitments previously held by GSU and Delta Fuels Services Incorporated as well as new short and long term nuclear fuel contracts entered into in 1990 and afterwards.

River Bend's needs at various nuclear fuel cycle stages are met at this time through both short and long-term, requirements type uranium supply and subsequent fuel cycle services contracts. These contracts are administered by Gulf States' River Bend Nuclear Fuels Group. Uranium supply purchased as U308 in the 1970's and 1980's and converted to UF6 has been provided to the U.S. Department of Energy (DOE) and to the General Electric Company for the River Bend initial core and for its first three River Bend reloads. New uranium acquisition activities, necessary for reload for supply based on competitive bidding, commenced in late 1988. As a result of a formal bid, evaluation and award process completed in 1990, one spot purchase was made from NUEXCO, and two new uranium supply contracts were awarded to Uranerz Exploration and Mining of Canada and RTZ Mineral Services, respectively, for uranium supply for River Bend during the middle and late 1990's. The uranium supply is converted to UF6 under an existing conversion service agreement with Sequoyah Fuel Corporation.

Uranium enrichment services are provided under an existing long-term contract with DOE. Due to 1991 contract changes, after 1998 up to 30 percent of required services may be obtained from non-DOE sources with a five year lead time in 1999 and 2000. In 1991 DOE services for 2001 were terminated at no cost. Thereafter with a ten year notice, DOE enrichment services may continue to be cancelled at no cost.

The fabrication of fuel assemblies is provided through a contract with General Electric. This contract covers the initial core and two reload cores which will be sufficient to fuel River Bend into the mid 1990's. New fabrication services acquisition activities based on competitive bidding will commence in 1992-1993.

Gulf States has a contract with DOE for disposal of spent fuel and high level waste. This agreement provides for shipment casks, transportation and spent fuel disposal services beginning as early as 1998.

Procurement of nuclear fuel supplies including additional needed enrichment and fabrication services is carried out on a reload requirement basis in accordance with written nuclear fuel management policies and procedures. Invoices and charges for nuclear fuel are verified prior to payment.

Additional documentation regarding nuclear fuel procurement may be found in FR.J-10.

PURCHASED POWER

Requirements for short-term purchased power are reviewed on a monthly basis when fuel requirements are studied for the coming month or season. If reliable power can be purchased cheaper than natural gas, contracts are entered into for the coming month.

CODE OF CONDUCT OF
GULF STATES UTILITIES COMPANY
FOR MANAGEMENT PERSONNEL

Refer to FR.A-9

GULF STATES UTILITIES COMPANY
ETHICS

Refer to FR.A-10

GULF STATES UTILITIES COMPANY
CONTRACTS - FUEL TRANSPORTATION CONTRACTS

Natural Gas fuel-related Transportation Agreements:

Refer to Schedule FR.B-1.

Coal fuel-related Transportation Agreements:

Below is a list of the fuel-related transportation agreements and any amendments between Gulf States Utilities and its suppliers which will be in effect during the forecast period of July 1992 through June 1993. These documents are considered confidential legal documents. A copy of the agreements and documents may be viewed in the Gulf States' Austin office upon execution of the Confidentiality Agreement.

Beazer West Incorporated - Fly Ash Disposal dated October 20, 1986.

Additionally, refer to Schedule FR.B-1.

GULF STATES UTILITIES COMPANY
CONTRACTS - FUEL SUPPLY CONTRACTS

Refer to Schedule FR.B-2

GULF STATES UTILITIES COMPANY
CONTRACTS - PURCHASED POWER CONTRACTS

Refer to Schedule FR.B-3.

GULF STATES UTILITIES COMPANY
CONTRACTS - OTHER FUEL RELATED CONTRACTS

Below is a list of other fuel-related contracts which will be in effect during the forecast period. These documents are considered confidential legal documents. A copy of the agreements and documents may be viewed in the Gulf States' Austin office upon execution of the Confidentiality Agreement.

1. 1991 Amended and Restated Optional Purchase and Amortization Agreement between Gulf States Utilities Company and Sabine Gas Transmission Company.

Additionally, refer to Schedule FR.B-4.

GULF STATES UTILITIES COMPANY
OTHER CONTRACTS

Refer to Schedule FR.B-5.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Exxon Company, U.S.A. and Gulf States Utilities Company, as amended
- b. Exxon Company, U.S.A.
- c. This contract is currently being negotiated.
- d. This contract is currently being negotiated.
- e. July 1, 1996 (anticipated)
- f. Index plus margin
- g. 20,000 mmBtu per day
- h. 50,000 mmBtu per day
- i. Contract price tied to .7% sulphur No. 6 fuel oil
- j. Sabine and Lewis Creek Power Stations
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Natural Gas Marketing and Storage Company and Gulf States Utilities Company, as amended.
- b. Natural Gas Marketing and Storage Company
- c. May 1, 1986
- d. February 1, 1986
- e. February 1, 1986 - January 1, 1992, and month to month until terminated.
- f. WACOG plus Margin
- g. 50 (20,000 mmBtu average per day over a 6-month period)
- h. 65,000 mmBtu per day
- i. Contract price tied to 7% Sulphur No.6 fuel oil and to highest price paid by Buyer for other supplies of gas and to price under equivalent contract.
- j. Sabine and Lewis Creek power stations
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Houston Pipe Line Company and Gulf States Utilities Company, as amended
- b. Houston Pipe Line Company
- c. September 1, 1988
- d. September 1, 1988
- e. September 1, 1994
- f. Index plus adder
- g. September 1, 1988 to March 1, 1989 - 10,000 mmBtu per day
March 1, 1989 to September 1, 1989 - 12,500 mmBtu per day
September 1, 1989 to September 1, 1994 - 15,000 mmBtu per day
- h. 80,000 mmBtu per day
- i. Contract price tied to .7% sulphur No. 6 fuel oil and to Buyer's weighted average cost of gas
- j. Sabine Power Station
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Spindletop Gas Distribution System and Gulf States Utilities Company, as amended
- b. Spindletop Gas Distribution System
- c. March 30, 1984
- d. April 1, 1984
- e. January 1, 1994
- f. WACOG plus margin
- g. 58,438 mmBtu per day, less gas taken under Louisiana Industrial Gas Supply System contract dated November 1, 1982.
- h. 83,483 mmBtu per day (in combination with gas taken under Louisiana Industrial Gas Supply System contract dated November 1, 1982.
- i. Contract price tied to .7% sulphur No. 6 fuel oil
- j. Sabine and Lewis Creek Power Stations
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Louisiana Industrial Gas Supply System and Gulf States Utilities Company, as amended
- b. Louisiana Industrial Gas Supply System
- c. November 1, 1982
- d. November 1, 1982
- e. January 1, 1994
- f. WACOG plus margin
- g. 58,438 mmBtu per day, less gas taken under Spindletop Gas Distribution System contract dated March 30, 1984.
- h. 83,483 mmBtu per day (in combination with gas taken under Spindletop Gas Distribution System contract dated March 30, 1984.
- i. Contract price tied to .7% sulphur No. 6 fuel oil
- j. Willow Glen and Louisiana power stations
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Amax Gas Marketing, Inc. and Gulf States Utilities Company, as amended
- b. Amax Gas Marketing, Inc.
- c. Contract #1 - August 12, 1983
Contract #2 - August 25, 1983
- d. Contract #1 - August 12, 1983
Contract #2 - August 25, 1983
- e. Contract #1 - May 15, 1996
Contract #2 - May 15, 1996
- f. Contract #1 - price tied to Buyer's WACOG
Contract #2 - price is equal to the lesser of Buyer's WACOG or GSU's Sabine Station short-term WACOG plus adder.
- g. None (contracts have a take or release clause)
- h. Contract #1 - 26,000 mmBtu per day; 3,978,000 mmBtu each Contract Period
Contract #2 - 26,000 mmBtu per day; 3,978,000 mmBtu each Contract Period
- i. Contract price tied to .7% sulphur No. 6 fuel oil and to highest price paid by Buyer for other supplies of gas
- j. Sabine, Willow Glen and Nelson power stations
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Energy Consultants, Inc. and Gulf States Utilities Company, as amended
- b. Energy Consultants, Inc.
- c. April 28, 1988
- d. May 1, 1988
- e. May 1, 1996
- f. Index plus adder
- g. May 1, 1988 to November 1, 1988 - 10,000 mmBtu per day
November 1, 1988 to May 1, 1989 - 12,500 mmBtu per day
May 1, 1989 to May 1, 1996 - 15,000 mmBtu per day
- h. 55,000 mmBtu per day
- i. Contract price tied to .7% sulphur No. 6 fuel oil and to Buyer's weighted average cost of gas
- j. Sabine power station
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between United Texas Transmission Company and Gulf States Utilities Company, as amended
- b. United Texas Transmission Company
- c. March 9, 1983
- d. January 1, 1985
- e. January 1, 1995
- f. WACOG plus margin
- g. 500,000 Mcf per year (Interim Amendment effective August 1, 1991 through December 31, 1992 and year to year thereafter until terminated delivers a minimum 90,000 mmBtu per month.)
- h. 75,000 Mcf per day (Above referenced Interim Amendment provides a maximum of 20,000 mmBtu per day.)
- i. Contract price tied to .7% sulphur No. 6 fuel oil
- j. Sabine, Lewis Creek and Neches power stations
- k. Yes, for replacement gas.
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Rotherwood/Eastex Gas Storage Services and Gulf States Utilities Company, as amended
- b. Rotherwood/Eastex Gas Storage Services
- c. January 3, 1989
- d. April 1, 1989
- e. January 1, 1994, and year to year thereafter
- f. Tied to WACOG
- g. 12,775,000 mmBtu per year
- h. 18,250,000 mmBtu per year
- i. Contract price tied to .7% sulphur No. 6 fuel oil and to Buyer's weighted average cost of gas.
- j. Sabine and Lewis Creek power stations
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Gas Sales Contract between Southeastern Marketing Company and Gulf States Utilities Company, as amended
- b. Southeastern Marketing Company
- c. October 31, 1989
- d. November 1, 1989
- e. November 1, 1994, and calendar quarter-to-quarter thereafter
- f. Index plus adder
- g. None (contract has a take or release clause)
- h. 15,000 mmBtu per day
- i. Contract price tied to .7% sulphur No. 6 fuel oil
- j. Lewis Creek power station
- k. None
- l. Natural gas which is pipeline quality and merchantable, and adheres to all industry standards relating to: Btu, water, temperature, sulfur, hydrogen sulfide, non-hydrocarbons, nitrogen, oxygen, particulates.
- m. Natural gas supply.

GULF STATES UTILITIES COMPANY
CONTRACTS - CONTRACT SUMMARIES

- a. Kerr-McGee Coal Corporation-Restated Coal Supply Agreement
- b. Kerr-McGee Coal Corporation
- c. December 28, 1988
- d. January 1, 1989
- e. December 31, 2004
- f. Fixed price-escalated
- g. 1.65 million tons/year
- h. 2.475 million tons/year
- i. Based on market price of coal
- j. Jacob's Ranch Mine, Campbell County, Wyoming
East Gillette Mine, Campbell County, Wyoming
- k. N/A
- l. Measured and tested at Mine Mouth-Third party verification
- m. Coal supply

GULF STATES UTILITIES COMPANY
NUCLEAR FUEL & FUEL-RELATED CONTRACT SUMMARIES

#1

CONTRACT NAME: URANIUM CONCENTRATES PURCHASE AND SUPPLY
AGREEMENT

a. CONTRACT # : 10196R4
b. SUPPLIER : URANERZ EXPLORATION AND MINING
CORP.
c. DATE SIGNED : 10/31/90
d. ORIGINAL DATE OF SUPPLY : 12/91
e. TERM : THROUGH RELOAD 7 W/OPTION FOR
RL8
f. PRICING MECHANISM : MARKET RELATED WITH CEILINGS,
FLOORS AND DISCOUNTS
g. TAKE OR PAY OBLIGATION : NONE, REQUIREMENTS BASED
h. MAXIMUM TAKES AVAILABLE : NONE, REQUIREMENTS BASED
i. ECONOMIC OUT PROVISIONS : YES
j. DELIVERY POINTS : BUYER CONVERTOR ACCOUNT
k. TRANSPORTATION PROVISIONS: N/A
l. QUALITY OR MEASUREMENT : #U308
m. SPECIFIC SERVICE PROVIDED
UNDER THE CONTRACT : URANIUM SUPPLY

#2

CONTRACT NAME: AGREEMENT FOR SALE AND PURCHASE OF U308

a. CONTRACT # : 10281R4
b. SUPPLIER : RTZ MINERAL SERVICES LTD
c. DATE SIGNED : 12/31/90
d. ORIGINAL DATE OF SUPPLY : 1/92
e. TERM : THROUGH RELOAD 7 W/OPTION FOR
RL8
f. PRICING MECHANISM : PARTLY MARKET-RELATED, BASE
PRICE ESCALATED AND FIXED PRICE
g. TAKE OR PAY OBLIGATION : NONE, REQUIREMENTS BASED
h. MAXIMUM TAKES AVAILABLE : NONE, REQUIREMENTS BASED
i. ECONOMIC OUT PROVISIONS : YES
j. DELIVERY POINTS : BUYER CONVERTOR ACCOUNT
k. TRANSPORTATION PROVISIONS: N/A
l. QUALITY OR MEASUREMENT : #U308
m. SPECIFIC SERVICE PROVIDED
UNDER THE CONTRACT : URANIUM SUPPLY