

depreciation reclassification is not appropriate for purposes of setting rates. Docket No. 14965, Second Order on Rehearing at COL 91.

**Return Cap**

50. PURA § 36.051 directs the Commission in setting the rates of the utility to fix the revenues of the utility at a level that will permit it to earn a reasonable return over and above its reasonable and necessary operating expenses. PURA does not limit ratesetting to a static assessment of the costs of providing service. A return cap may be a reasonable means of ensuring that the utility's return remains reasonable after it has been fixed by the Commission.
51. Under PURA § 36.052, the Commission has the authority to implement a banded ROE if the Commission determines the ROE plan is reasonable.

**Performance Based Ratemaking**

52. PURA § 36.203 requires the Commission to reconcile a utility's fuel costs; P.U.C. SUBST. R. 23.23(b)(2)(A) requires that eligible fuel expenses be recovered through the fuel factor; and nuclear fuel is considered an eligible fuel expense under P.U.C. SUBST. R. 23.23(b)(2)(B); therefore, it is reasonable for nuclear fuel to be reconciled as part of the fuel factor.

**Discount Rates**

53. PURA § 36.007 does not distinguish between basic and non-basic services in determining if a rate is discounted.
54. EGS's NUS rider will be considered a discount rate under PURA § 36.007, and if EGS prices a NUS service below embedded costs, the costs of serving the discount customer will be borne by EGS's shareholders.

55. PURA § 36.007(d) does not prohibit EGS from pricing below embedded costs; however, if it does price below embedded costs, the costs of serving the discount customers may not be borne by EGS's other ratepayers.

**Market Structure**

56. FERC has jurisdiction over establishing an ISO, approving transmission tariffs, and developing an RPX.

**XXXI. Ordering Paragraphs**

1. The proposal for decision prepared by the State Office Of Administrative Hearings Administrative Law Judges is adopted to the extent consistent with this Order.
2. The application of Entergy Gulf States, Inc. (EGS) in this docket is granted to the extent provided in this Order.
3. In future fuel reconciliations, EGS shall show that it has, as appropriate: (a) attempted to renegotiate the agreement(s) with Cajun to give EGS a greater voice in operating and maintaining facilities in which EGS is a non-operator minority partner; (b) exerted pressure on Cajun to prudently operate and maintain Big Cajun II Unit 3 and other plants which EGS partly owns but does not operate; and (c) exercised the full extent of its powers under the agreement(s).
4. EGS shall surcharge \$49,015,560 to its fixed fuel factor customers during the twelve months May 1998 to April 1999.
5. EGS shall have a coal stockpile survey conducted by a competent independent contractor at each coal plant at least once every 12 months.
6. If EGS continues to account for coal in MMBtu, while Cajun continues to account for coal in tons, then EGS shall show in its next fuel reconciliation that it used its best efforts to cause Cajun to conduct a thorough sampling of stockpile heating value along with each tonnage survey at Big Cajun II Unit 3.

7. EGS shall file any future cash working capital lead-lag cost study in conformance with P.U.C. SUBST. R. 23.21(d)(2)(B)(iii)(V), as discussed at §V.F. of the PFD.
8. In subsequent rate cases, EGS must provide, in the rate filing package, the results of its incentive compensation programs to show the work performed meets Company performance goals.
9. EGS shall refund to each customer an amount equal to the difference between the amount paid by the customer under existing rates from June 1, 1996 to implementation of rates approved in this docket, and the amount the customer would have paid under the schedules permanently approved in this Order during that period. The following procedures apply to the refund of base rates:
  - a. No later than 16 days after the issuance of this Order, EGS shall file a request for approval of a methodology for calculating interest and making the refunds of the base rates. The filing shall set forth the amounts to be refunded to each class of customers, based on the revenue requirements adopted in this Order.
  - b. No later than 7 days after the filing of this request, the General Counsel and other parties shall file comments recommending approval, modification, or rejection of the methodology. The Office of Policy Development shall by letter approve, modify, or reject the proposed methodology, based upon the materials submitted to the Commission under the procedure established herein. If subsequent orders of the Commission in this case do not affect the amounts to be refunded, the Office of Policy Development shall by letter approve modify, or reject the proposed refund amounts, based upon the materials submitted to the Commission under the procedure established herein.
  - c. If EGS concludes that a subsequent order of the Commission in this case changes the amounts to be refunded, EGS shall file a pleading concerning the refund amounts, not later than 10 days after the issuance of a final, appealable order or the denial of the motions for rehearing by operation of law. This pleading shall indicate whether the amount to be refunded to any class of customers is different, under the Commission's final, appealable

order, from the amount that would be refunded based on this Order. If any amount to be refunded is different, EGS shall file a pleading that sets forth the amounts to be refunded to each class of customers, based on the revenue requirements adopted in the Commission's final, appealable order.

d. No later than 10 days after the filing of in the information required under subparagraph c. of this paragraph, the General Counsel and the other parties shall file comments recommending approval, modification, or rejection of the class refund amounts proposed by EGS. The Office of Policy Development shall by letter approve, modify, or reject the proposed refund amounts based upon the materials submitted to the Commission under the procedure established herein.

e. Following the approval of the methodology for making the refund and the refund amounts, EGS shall make the refunds.

f. Following the completion of the refunds, EGS shall file an affidavit verifying that the refund has been made in accordance with the approved methodology.

10. EGS is ordered to synchronize fuel revenues and expenses in the compliance cost of service study by using the rate-year fuel expense and fuel revenues.
11. EGS is ordered to file schedules showing the allocation of revenues to the rate classes, consistent with this Order, within 10 days after the date of this Order. No later than 10 days after the date of the filing of the schedules, the General Counsel shall file the Staff's comments recommending approval, modification, or rejection of the schedules. Responses to the General Counsel's recommendations shall be filed no later than 15 days after the filing of the schedules. The Office of Policy Development shall by letter approve, modify, or reject each schedule, based upon the materials submitted to the Commission under the procedure established herein.
  - a. EGS is ordered to file tariffs consistent with this Order within 20 days from the approval of the revenue allocation schedules. No later than 10 days after the date of the tariff filing, the General Counsel shall file the Staff's comments recommending approval,

modification, or rejection of the individual sheets of the tariff proposal. Responses to the General Counsel's recommendations shall be filed no later than 15 days after the filing of the tariff. The Office of Policy Development shall by letter approve, modify, or reject each tariff sheet, effective the date of the letter, based upon the materials submitted to the Commission under the procedure established herein.

b. The tariff sheets shall be deemed approved and shall become effective upon the expiration of 20 days from the date of filing, in the absence of written notification of modification or rejection by the Office of Policy Development. In the event any sheets are modified or rejected, EGS shall file proposed revisions of those sheets in accordance with the Office of Policy Development's letter within 10 days of the date of that letter, and the review procedure set out above shall apply to the revised sheets.

c. Copies of all filings and of any Office of Policy Development letters under this procedure shall be served on all parties of record and the General Counsel.

12. EGS shall file a detailed plan with its 1998 rate case application that demonstrates how EGS is enhancing the value of its plants and detailing its plans to achieve a market-based valuation of its ECOM. The plan shall be titled: *EGS's Plans for Reducing ECOM, Enhancing the Value of its Plants, and Achieving Market-Based Valuation of its ECOM.*
13. Concurrent with the filing of its annual earnings monitoring report, EGS shall also file additional schedules that detail its eligible fuel costs and any adjustments necessary to calculate any excess earnings.
14. As part of this proceeding, EGS shall unbundle its Texas retail rate class cost of service into four categories: generation, transmission, distribution, and customer service.
15. As part of this proceeding, EGS shall unbundle its distribution and customer services into three categories: basic, non-basic, and competitive services.

16. EGS shall unbundle its metering and billing functions as part of its 1998 rate case application.
17. EGS shall include a comprehensive education program, including a proposal to unbundle customer bills as part of its 1998 rate case application.
18. EGS shall begin to label its customers' bills within six months of the final order in this docket in compliance with the NARUC research.
19. EGS shall file each LCOP contract with the Commission for review and approval.
20. EGS shall file each CPS contract with the Commission for review and approval.
21. With each CPS contract filing, EGS shall provide a forecast of incremental costs to provide service under the contract.
22. EGS shall determine the fully allocable embedded costs of rate CPS and in future rate proceedings, separately identify CPS customers' loads, energy consumption, costs, and revenues.
23. When EGS files a CPS contract for approval, it shall show a cost analysis showing how much discount will be given to the customer, including a comparison of the proposed contract price and annual costs, and an analysis that shows the customer's need for the rate CPS.
24. EGS shall remove the language "Customers load characteristics and/or hours of operations are conducive to a customized contract" from the CPS tariff.

25. EGS shall include an RTP proposal and DTOD proposal as part of its 1998 rate case application.
26. EGS shall withdraw its proposed EDR tariff and modify its EEDS tariff as recommended in the PFD.
27. EGS shall revise its NUS Rider so that it is clear that revenue erosion resulting from any service offered under this Rider will be borne by the Company, and not the ratepayers who will not take the service.
28. EGS shall revise its NUS Rider to clarify that incremental costs will be calculated in accordance with PURA § 36.007.
29. EGS shall file each NUS plan for Commission review and approval.
30. EGS shall file a retail pilot program with its 1998 rate case application. This plan shall incorporate the guidelines established by the General Counsel's retail pilot program in this docket.
31. EGS shall file a detailed aggregate billing program as part of its 1998 rate case application.
32. EGS shall file status reports updating the Commission and the interested parties on its efforts concerning the FERC jurisdictional issues on September 1, 1998, and annually thereafter on September 1 (or next business day) until September 1, 2001.
33. EGS shall address its acquisition of the Cajun 30 percent interest in River Bend in Docket No. 12104.



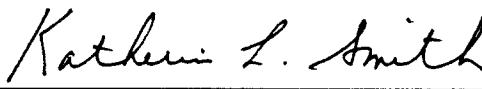
34. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied for want of merit.

SIGNED AT AUSTIN, TEXAS the 25<sup>th</sup> day of March 1998.

STATE OFFICE OF ADMINISTRATIVE HEARINGS

  
MICHAEL J. O'MALLEY  
ADMINISTRATIVE LAW JUDGE

  
KATHLEEN O. SANFORD  
ADMINISTRATIVE LAW JUDGE

  
KATHERINE L. SMITH  
ADMINISTRATIVE LAW JUDGE

  
ROGER W. STEWART  
ADMINISTRATIVE LAW JUDGE



**ATTACHMENT A**  
**PROCEDURAL TIMELINE**

<b><u>DATE</u></b>	<b><u>EVENT</u></b>
10-18-96	Entergy Gulf States, Inc. (EGS) provides copies of statement of intent and complete rate filing package to each municipality affected by proposed rate changes.
11-27-96	EGS files application of its transition to competition plan and the tariffs implementing the plan, and for the authority to reconcile fuel costs, to set revised fuel factors, and to recover a surcharge for under recovered costs.
12-04-96	The Public Utility Commission of Texas refers the docket to the State Office of Administrative Hearings and requests the assignment of an administrative law judge.
12-18-96	Initial prehearing conference convenes.
01-15-97	Second prehearing conference convenes.
01-24-97	Commission issues Preliminary Order.
02-03-97	Approved protective order issued.
02-12-97	Third prehearing conference convenes.
02-25-97	Fourth prehearing conference convenes.
02-28-97	EGS files proof of compliance with notice requirements.
03-06-97	Fifth prehearing conference convenes.
03-07-97	Commission issues Supplemental Preliminary Order.
03-20-97	Sixth prehearing conference convenes.
04-24-97	EGS files supplemental proof of notice.
05-05-97	Hearing on motion for discovery sanctions against EGS convenes.

05-28-97 Seventh prehearing conference convenes.

06-11-97 Fuel Phase (Phase I) hearing on the merits convenes.

07-09-97 Prehearing conference convenes to discuss settlement of competitive issues and filing dates for contested issues in that phase.

07-09-97 Fuel Phase (Phase I) hearing on the merits ends.

07-30-97 Revenue Requirement Phase (Phase II) hearing on the merits convenes.

08-08-97 Hearing convenes to determine if good cause exists to issue certain subpoenas.

08-26-97 Revenue Requirement Phase (Phase II) hearing on the merits ends.

09-12-97 Commission issues order granting motion to quash subpoenas.

10-06-97 Rate Design Phase (Phase III) hearing on the merits convenes.

10-07-97 Post-hearing conference convenes to clear up certain issues in Revenue Requirement Phase before filing deadline for briefs.

10-09-97 North Star Steel files petition for temporary injunction in District Court.

10-13-97 Order issued granting motion for summary decision related to affiliate expense.

10-23-97 Rate Design Phase (Phase III) hearing on the merits ends.

10-24-97 Order granting joint motion for mediation issued.

11-04-97 Service quality issues severed from docket and placed in Docket No. 18249.

11-04-97 Parties informed Commission that mediation had failed.

11-05-97 Competitive Issues Phase (Phase IV) hearing on the merits convenes.

11-06-97	Commission issues order denying EGS' motion to consolidate remand of Docket No. 7195 with this proceeding.
11-14-97	Order denying discovery sanctions against EGS issued.
12-02-97	Competitive Issues Phase (Phase IV) hearing on the merits ends.
12-15-97	Prehearing conference held to consider returning case to hearing.
12-19-97	Second Order issued on remand ruling on motions for summary decision regarding EGS affiliate expenses.
01-15-98	Hearing on the merits on affiliate issues convenes.
01-15-98	Hearing on the merits for all issues adjourned.
01-20-98	Order denying interim fuel factor issued.
06-18-98 <sup>1</sup>	Jurisdictional deadline

---

<sup>1</sup> The jurisdictional deadline was calculated by counting every work day from June 11, 1997 through January 15, 1998, (no holidays or weekends were counted) subtracting 15, and multiplying by 2. Therefore,  $148 - 15 = 133$ .  $133 \times 2 = 266$  days.

The jurisdictional deadline was September 25, 1997, suspended for 266 days to June 18, 1998. The calculation is based on agreement of the company to count every work day until the end of hearing as a day of hearing. Hearing days after the first 15 days are doubled to calculate the suspension period. PURA § 53.108(b).



ATTACHMENT B

PARTIES AND REPRESENTATIVES

Public Utility Commission of Texas

Russell Trifovesti  
Michael Etchison  
Keith Rogas  
Thomas S. Hunter  
Chris Reeder  
Chris Green  
Sandra Kyle  
*Legal Division*

Destec Energy, Inc.

W. Eric Dennison  
Barry N. P. Huddleston

City of Houston

Melba T. Pourteau  
*Office of the City Attorney*

Texas Industrial Energy Consumers (TIEC)

Rex D. Vanmiddlesworth  
Lino Mendiola III  
Stephanie A. Kroger  
Phillip G. Oldham  
*Mayor, Day, Caldwell & Keeton*

Office of Public Utility Counsel

Eva Andries  
Bryan L. Baker  
Laurie Pappas  
Alex Schnell

North Star Steel Texas, Inc.

Philip L. Chabot, Jr.  
Foster De Reitzes  
Lynn H. Johanson  
J. Wade Lindsay  
*Wilkinson, Barker, Knauer & Quinn, L.L.P.*

International Brotherhood of  
Electrical Workers (IBEW)

George L. Crawford

United States Department of  
Energy (USDOE)

Arthur Perry Bruder

Entergy Gulf States, Inc.

Hugh T. McDonald  
J. Wayne Anderson  
L. Richard Westerburg, Jr.  
Paula Cyr  
Kathryn J. Lichtenberg  
Henry Herbert  
L. Jager Smith, Jr.  
*Entergy Services, Inc.*

Andy Kever

Carolyn Shellman  
Katie Bond  
Valerie P. Kirk  
Stephen Fogel  
Randy Glenn  
*Bickerstaff, Heath, Smiley,  
Pollan, Kever & McDaniel, L.L.P.*

Cities

Barbara Day  
Geoffrey M. Gay  
Steven A. Porter  
Walter Washington  
*Butler, Porter, Gay & Day*

Occidental Chemical  
Corporation (Oxychem)

Richard P. Noland  
*Sutherland, Asbill & Brennan*

State of Texas

Rose-Michel Munguia  
*Assistant Attorney General*

Enron Capital & Trade Resources

Marianne Carroll  
*Carroll & Gross, L.L.P.*

Environmental Defense Fund  
(EDF)

Don E. Walden

High Load Factor Commerical  
Customer Group (HLFCCG)  
Jim Boyle

Low-Income Intervenors  
Randall Chapman  
Neish A. Carroll  
*Texas Legal Services Ctr.*



## **ATTACHMENT C**

### **INTERVENOR CITIES ACTING AS LOCAL REGULATORY AUTHORITIES**

Ames  
Anahuac  
Anderson  
Beaumont  
Bevil Oaks  
Bremond  
Bridge City  
Caldwell  
Calvert  
Chester  
China  
Cleveland  
Colmesneil  
Conroe  
Corrigan  
Cut & Shoot  
Daisetta  
Dayton  
Devers  
Franklin  
Groves  
Groveton  
Hardin  
Huntsville  
Kosse  
Kountze  
Liberty  
Lumberton  
Madisonville  
Midway  
Mission  
Montgomery  
Navasota

Nederland  
New Waverly  
Nome  
Normangee  
North Cleveland  
Oak Ridge North  
Orange  
Panorama Village  
Patton Village  
Pine Forest  
Pinehurst  
Plum Grove  
Port Arthur  
Port Neches  
Riverside  
Roman Forest  
Rose City  
Rose Hill Acres  
Shenandoah  
Shepherd  
Silsbee  
Somerville  
South Lake  
Splendora  
Todd Mission  
Trinity  
Vidor  
West Orange  
Willis  
Woodbranch  
Woodloch  
Woodville



## **ATTACHMENT D**

### **HEARING PHASES AND PRESIDING JUDGES**

<b>Phase</b>	<b>Judge</b>	<b>Began</b>	<b>Concluded</b>
Fuel (Phase I)	Roger Stewart	06/11/97	07/09/97
Revenue Requirement (Phase II)	Kathleen Sanford	07/30/97	08/26/97
Rate Design (Phase III)	Katherine Smith	10/06/97	10/23/97
Competitive Issues (Phase IV)	Michael J. O'Malley	11/05/97	12/02/97



**ATTACHMENT E**  
**PRELIMINARY ORDER ISSUES**

**Fuel (Phase I)**

There are no preliminary order issues in this phase.

**Revenue Requirement (Phase II)**

- What is the appropriate revenue requirement (and components thereof) to use in setting Texas jurisdictional rates for EGS:
  - a. absent approval of a transition to competition plan?
  - b. if a transition plan is approved?

*See* ALJ Schedule I. *See also* introduction to Revenue Requirement portion of the PFD.

- Is the Company's plan for Plant Held for Future Use (PHFU) reasonable? Should the Commission require the Company to engage in competitive bidding to determine if third parties can provide resources more reasonably than the Company can from PHFU? (E.g., Neches Station Units 4,5,6 and 8; Louisiana Station No. 2, units 7, 8, 9).

*See* § V.E. of the PFD.

- In reference to Entergy Corporation's recent agreement to manage and operate the Maine Yankee Nuclear Plant:
  - 1. Is the Maine Yankee agreement representative of a competitive market price for the management and operation of a nuclear plant?
  - 2. If yes, in comparison to Maine Yankee, are the management and operation expenses associated with River Bend reasonable?

*See* discussion at § IX of the PFD.

- Is EGS used directly or indirectly to enhance the competitive position of its unregulated affiliates? If yes, is EGS' cost of service (or revenue requirement) adjusted accordingly to account for the benefits provided by EGS to its affiliates?

*See* discussion at § IX of the PFD.

- How is EGS reimbursed for services that it provides to other entities? Does EGS provide services to others under a cost-based, market-based, or some other pricing methodology?
  - 1. Does EGS credit its cost of service with the full amount of the revenues that it

- receives (or is allocated) from the entities to which it provides services?
2. If not, should EGS be required to credit its cost of service with the full amount of revenues received (or is allocated)?
  3. Where an affiliated entity of EGS provides services or products to a third party, which services or products are based at least in part on EGS' resources (including EGS' personnel, computer hardware or software, business processes, expertise, know-how, etc.), has EGS' cost of service properly been credited with the value added by the EGS resources to the market value of the affiliate's service or product?

*See discussion at § IX of the PFD.*

- If EGS is receiving a service from another entity:
  1. Could EGS provide that service to itself at lower prices through its own employees?
  2. As an alternative, could EGS receive it through other, more efficient means?
  3. Has EGS taken advantage of all reasonable opportunities to lower costs by "outsourcing" services, or otherwise acquiring services at market-based prices?

*See discussion at § IX of the PFD.*

- Has the Company appropriately allocated expenses to or from its Texas jurisdictional cost of service to account for the use, if any, of Entergy Texas employees at non-jurisdictional facilities? If EGS or an affiliate makes a profit by selling nuclear expertise to unrelated entities, how should Entergy Texas be compensated for providing that expertise?

*See discussion at § IX of the PFD.*

- Since the effective date of its last rate case, has Entergy (or EGS) transferred, or does Entergy (or EGS) have plans to transfer in the near future, employees from EGS to an affiliate(s) of EGS? If yes:
  - a. What were the titles and responsibilities of those who were transferred, and where did they appear on the EGS organizational chart?
  - b. What was the level of expertise of those who were transferred out of EGS, and what was the level of expertise of their replacements?
  - c. Has EGS been able to maintain an adequate level of reliability and safety despite the transfers?

*See discussion at § IX of the PFD.*

### **Rate Design (Phase III)**

- What are the appropriate jurisdictional and interclass cost allocation methodologies (and components thereof) to use in setting Texas jurisdictional rates for EGS absent approval of a transition to competition plan?

*See discussion at §§ XII.A and XIII.A of the PFD.*

- Which of EGS' tariffs should be considered, for ratemaking purposes to be subject to PURA95 § 2.052(b) (now PURA § 36.007)? What level of revenues should be imputed to the Company based upon its existing discounted/flexible rate offerings, consistent with PURA95 § 2.001(d) (now PURA §§ 36.007 and 36.207)?

*See discussion at § XV of the PFD.*

- How should EGS' rates be designed absent approval of a transition to competition plan?

*See discussion at § XVI.A of the PFD.*

- Are the provisions of Texas jurisdictional rate schedules WHS, MSS, SSTs, EAPS, SUS, and SMQ consistent with the requirements of PURA 95 §2.212(g)(1) (now PURA 36.201)?

*See discussion at § XVII of the PFD.*

### **Competitive Issues (Phase IV)**

- How would the market be structured once the seven-year period of EGS's transition period is complete?

*See discussion at §§ XXVII.A.1 - 3; XXVII.B.1 - 7; and XXVII.C.1 - 6 of the PFD.*

- What guarantees and benefits would customers receive in the post-transition, competitive world?

*See discussion at §§ XIX; XXVII.C.1 and 2 of the PFD.*

- Should EGS continue to own power plants and, if not, what compensation should ratepayers receive when the assets they paid for are transferred from EGS to another owner?

*See discussion at § XXVII.B.2 of the PFD.*

- What effect will implementation of the transition plan have on competition in the electric industry?

*See discussion at §§ XIX and XXI.E of the PFD.*

- How do the ratepayers benefit under the transition plan?

*See discussion at §§ XIX; XXV.A and B of the PFD.*

- How does the transition proposal address universal service and stranded benefits?

*See discussion at §§ XXV.C and XXVI.E of the PFD.*

- What is the appropriate level of risk that a utility should assume under the transition proposal?

*See discussion at §§ XXI.E; XXIII.A; and XXIV of the PFD.*

- Has the utility reasonably attempted to mitigate its ECOM?

*See discussion at § XXI.C of the PFD.*

- Does the transition proposal provide the utility with a means to over-recover and retain ECOM?

*See discussion at §§ XXI.B; XXI.D.1.d; and XXI.D.2.d of the PFD.*

- Is the transition plan reasonable in length, and is it necessary for utilities to recover authorized ECOM prior to opening their systems to retail access?

*See discussion at § XX.A of the PFD.*

- What are the ramifications of the Company's acquisition of the remaining 30 percent of River Bend as part of its settlement regarding the plant?

*See discussion at § XXVIII of the PFD.*

- Based upon an analysis of River Bend cost data and the cost of short-and long-term power and energy in the wholesale market, is the continued operation of River Bend economically justified? If not, is a reduction in EGS' overall revenue level appropriate based on the provisions of PURA 95 § 2.203 (now PURA §§ 36.051 and 36.052)?

*See discussion at § XXIII.B of the PFD.*

- What are the appropriate jurisdictional and interclass cost allocation methodologies (and components thereof) to use in setting Texas jurisdictional rates for EGS if a transition plan is approved?



*See discussion at § XXI.D.4 of the PFD.*

- How should EGS' rates be designed if a transition plan is approved?

*See discussion at §§ XXV.A - C; XXVI.A, B, C, D, F, and I of the PFD.*

- It has been suggested that customers who spend a large portion of their income on electricity may prefer to lock in electric rates for a period of time. Is it reasonable for the Commission to require EGS to offer low- or fixed-income customers a multi-year contract, including price guarantees, percent annual rate reductions, and openers for further rate reductions should circumstances warrant? If so, what would be the appropriate design, and how would this be implemented? Would such a plan outweigh potentially adverse effects on competition?

*See discussion at § XXVI.E of the PFD.*

- Is it necessary to establish a symmetrical banded return on equity to ensure fairness? Is there an asymmetrical banded return mechanism that may be more appropriately applied to EGS' non-nuclear operations?

*See discussion at § XXII.A and B of the PFD.*

- Which fuel costs, if any should be included in EGS' banded return plan?

*See discussion at § XXII.A of the PFD.*

- How should EGS' return on equity for non-nuclear operations reflect any change in EGS' risk exposure?

*See discussion at § XXIV of the PFD.*

- Under the banded return on equity proposal, is the Company's risk of recovery of non-nuclear investment increased, decreased, or unchanged relative to traditional cost-based ratemaking? What lever of return on equity appropriately reflects the risk associated with EGS' non-nuclear investment under the banded return on equity plan? Does the acceleration of ECOM recovery reduce, rather than increase, the level of risk (and appropriate return) to current and future EGS shareholders?

*See discussion at § XXII.A and B of the PFD.*

- Why should the shareholders receive any revenues in excess of the authorized banded rate of return, instead of applying the excess revenues to decrease EGS' ECOM?

*See discussion at § XXII.A and B of the PFD.*

- What is the appropriate design of EGS' PBR mechanism, and what factors should apply to that mechanism?

*See discussion at §§ XXIII.C.2 - 7 and XXIII.D of the PFD.*

- Under EGS' River Bend Performance Plan is the Company's risk of recovery of nuclear investment increased, decreased, or unchanged relative to traditional cost-based ratemaking? What level of return on equity appropriately reflects the risk associated with EGS' nuclear investment under the River Bend Performance Plan?

*See discussion at § XXIII.C.1 and 2 of the PFD.*

- Should EGS' target capacity factor for River Bend be measured relative to the industry average or the industry best?

*See discussion at § XXIII.C.1 of the PFD.*

- Is EGS' proposed accelerated recovery, amortization, and depreciation deferral proposals applicable to River Bend reasonable and in the public interest?

*See discussion at §§ XXI.A; XXI.D.1.a and b; XXI.D.2.a and b; and XXI.D.3 of the PFD.*

- Does the deferral of T&D depreciation expense as proposed by EGS cause the Issue value of its T&D assets to exceed an appropriate market value for those assets? If yes, how can EGS' proposal be modified to avoid that result while maintaining an appropriate and reasonable transition plan?

*See discussion at §§ XXI.D.1.c and XXI.D.2.c of the PFD.*

- Is EGS' proposed annual growth rate for base revenue increase allocated to the accelerated recovery of River Bend investment reasonable?

*See discussion at §§ XXI.D.1.a and b; XXI.D.2.a and b; XXI.D.2.e; and XXI.D.3 of the PFD.*

- To what extent should EGS be permitted additional River Bend related cost recovery based on force majeure events?

*See discussion at § XXIII.C.8 of the PFD.*

- How should customer access to other electricity service providers be structured in the docket if a transition plan is approved?

*See discussion at §§ XX.B; XXVI.G; XXVII.A.1 - 3; XXVII.B.2 - 7; and XXVII.C.1, 3, 4, 5, and 6 of the PFD.*

- What effect does the FERC's decision in *South Carolina Electric & Gas Co.*, F.E.R.C. (CCH) ¶61,338 (1996) have on EGS' proposal?

*See* discussion at §§ XXI.D.1.c and XXI.D.2.c of the PFD.

- How should customers' monthly electric bills be designed such that customers will have the opportunity to become informed about the various unbundled components of service, the mix of generation fuels, and the like?

*See* discussion at § XXV.D of the PFD.

- What menu of choices should be provided to customers to help them prepare to make choices when retail access is available? What role could be played by an Electric Service Reseller, as that term is used by the Commission in its Report to the 75th Legislature, Volume 1, *Electric Power Industry Scope of Competition and Potentially Strandable Investment Report*, pp. 59-60?

*See* discussion at § XXVI.A, B, C, D, F, H, and I of the PFD.



## Attachment F

### EGS Fuel Factor Filing Recent History

PUC Docket No.	Resolution Method	Final Order date	Effective date of FF
15489 (FF only)	stipulation	8-12-96	8-12-96
12712 (FF only)	stipulation	4-28-94	2-15-94 (interim) 4-28-94 (final)
10894 (FF, FR, and surcharge)	contested case/PFD	8-19-93	(unclear)

FF=fuel factor

FR=fuel reconciliation

PUC Docket No.	EGS's Proposed FF	ALJ's Recommended FF	Resulting FF
15489	\$0.018599	\$0.017782	\$0.017782
12712	\$0.017782	na	\$0.017782 (both interim and final)
10894	\$0.020211	\$0.018545	\$0.018386

#### Sources

Petitions, Post-Hearing Briefs, PFDs, and Final Orders in:

*Petition of Gulf States Utilities Co. for Authority to Revise Its Fixed Fuel Factors*, Docket No. 15489, \_\_\_ P.U.C. BULL. \_\_\_ (Aug. 9, 1996) (not yet published).

*Petition of Gulf States Utilities Co. to Lower Its Fixed Fuel Factor and for Good Cause Exemption to P.U.C. R. 23.23(b)(2)*, Docket No. 12712 (April 28, 1994) (not published).

*Application of Gulf States Utilities Co. to Reconcile Fuel Costs, Establish New Fixed Fuel Factors, and Recover Its Under-Recovered Fuel Expense*, Docket No. 10894, 19 P.U.C. BULL. 1401 (Aug. 19, 1993).



## Attachment G

### EGS Fuel Reconciliation Filing Recent History

PUC Docket No.	Resolution Method	Final Order date	Reconcil'n Period
15102 (FR only)	contested case/PFD	07/26/97	01/01/94 - 06/30/95
13170 (FR only)	stipulation	04/18/95	10/01/91 - 12/31/93
10894 (FF, FR, and surcharge)	contested case/PFD	08/19/93	10/01/88 - 09/30/91

FF=fuel factor

FR=fuel reconciliation

PUC Docket No.	Amount Reconciled	Amount Disallowed	Surcharge/(Refund)
15102	\$318,000,000	\$657,386 <sup>1</sup>	\$17,674,434
13170			(\$2,817,550)
10894	\$1,280,082,666 <sup>2</sup>	\$116,740,170 <sup>3</sup>	

#### Sources

Petitions, Post-Hearing Briefs, PFDs, and Final Orders in:

*Application of Gulf States Utility Company, Inc., to Reconcile its Fuel Costs, for Permission to Delay Requesting a Surcharge, or in the Alternative, for a Surcharge to Recover Under-Recovered Fuel Expense*, Docket No. 15102, \_\_\_ P.U.C. BULL. \_\_\_ (June 24, 1997)(not yet published).

*Application of Gulf States Utilities Co. to Reconcile Fuel Costs*, Docket No. 13170, \_\_\_ P.U.C. BULL. \_\_\_ (April 18, 1995) (not published).

*Application of Gulf States Utilities Co. to Reconcile Fuel Costs, Establish New Fixed Fuel Factors, and Recover Its Under-Recovered Fuel Expense*, Docket No. 10894, 19 P.U.C. BULL. 1401 (Aug. 19, 1993).

---

<sup>1</sup> Docket No. 15102, Order on Rehearing at Commissioners' Schedule B, p. 1.

<sup>2</sup> Docket No. 10894, PFD at 1 (p. 1415).

<sup>3</sup> Docket No. 10894, Order at Conclusion of Law No. 21 (p. 1669).





**Entergy Gulf States, Inc.  
Payroll Adjustment  
For The Year Ended June 30, 1998**

Apr: 11 '97

Description	Wage Increase	Payroll Decrease	ESI Employee Change	Severance Costs Increase	Meter Services Contractor Increase		Jacob Pous Contractor Increase	Total Company Adjustment
					Texas	Louisiana		
Other O&M Expense	2,904,978	(9,332,472)	646,517	847,454	1,462,782	317,996	259,973	(2,892,772)
Benefits Expense	87,149	(2,042,169)	206,885	0	0	0	0	(1,748,135)
Total O&M	2,992,127	(11,374,641)	853,402	847,454	1,462,782	317,996	259,973	(4,640,907)
Payroll Taxes								
FICA	222,231	(713,934)	0	64,830	0	0	0	(426,873)
FUTA	2,614	(8,399)	0	763	0	0	0	(5,022)
SUTA	7,262	(23,331)	0	2,119	0	0	0	(13,950)
Total Payroll Taxes	232,107	(745,664)	0	67,712	0	0	0	(445,845)
Total Adjustment	3,224,234	(12,120,305)	853,402	915,166	1,462,782	317,996	259,973	(5,086,752)

Entergy Gulf States, Inc.  
Payroll Adjustment  
Wage Increases

Wage Increases		
Electric O&M Payroll		56,672,125
Electric O&M Payroll Decrease	Should be →	<del>8,685,955</del> 9,332,472
Adjusted Electric O&M Payroll		47,986,170
Bargaining Unit Payroll	59.46%	28,532,577
8/13/95 Increase (3.8 % for 131 employees)	0.04%	11,413
11/5/95 Increase (3 % for 819 employees)	0.67%	191,168
8/16/96 Increase (3 % for 1,059 of 1,395 employees)	2.28%	650,543
4/13/97 Increase (3 % for 784 of 991 employees)	2.37%	676,222
4/13/97 Increase (2.7 % for 207 of 991 employees)	0.56%	159,782
Total Bargaining Unit Payroll		30,221,705
Non-bargaining Unit Payroll	40.54%	19,453,593
4/1/96 Wage Increase (3 %)	2.25%	437,706
4/1/97 Wage Increase (4 %)	4.00%	778,144
Total Non-bargaining Unit Payroll		20,669,443
Total Payroll		50,891,148
Electric O&M Wage Increases		2,904,978
Other Payroll-related Expenses		
Savings Plan	3.00%	87,149
FICA	7.65%	222,231
FUTA	0.09%	2,614
SUTA	0.25%	7,262
Total Other Payroll-related Expenses		319,256
Total Increase		<u>3,180,796</u> <u>3,224,234</u>

supp. 1 → 3

Entergy Gulf States, Inc.  
Payroll Adjustment  
Decrease in Employees

Payroll Decrease				
Month	Employees	Change in Employees	Months Employed	Effective Number of Employees
Jun-95	2,036			
Jul-95	2,001	35	0.5	1
Aug-95	1,993	8	1.5	1
Sep-95	1,865	128	2.5	27
Oct-95	1,842	23	3.5	7
Nov-95	1,838	4	4.5	2
Dec-95	1,833	5	5.5	2
Jan-96	1,808	25	6.5	14
Feb-96	1,798	10	7.5	6
Mar-96	1,785	13	8.5	9
Apr-96	1,777	8	9.5	6
May-96	1,765	12	10.5	11
Jun-96	1,750	15	11.5	14
Effective Decrease in Employees During the Test Year				100
Jul-96	1,709	41	12	41 (2)
Aug-96	1,684	25	12	25 (2)
Sep-96	1,664	20	12	20 (2)
Oct-96	1,662	2	12	2 (2)
Nov-96	1,606	56	12	56 (2)
Dec-96	1,566	40	12	40 (2)
Jan-97	1,557	9	12	9 (2)
Feb-97	1,548	9	12	9 (2)
Mar-97	1,482	66	12	66 (2)
Apr-97	1,469	13	12	13 (2)
Decrease in Employees After the Test Year				281
Total Decrease in EGS Employees				381
EGSI Employees Annual Salary				41,140 (1)
Payroll Decrease				15,674,340
O&M % (Including Co-owners)				76.02%
Total O&M Decrease				11,915,267
Electric % (Including Co-owners)				89.85%
Electric O&M Decrease				10,705,707
Elec. O&M Decrease Due To Talent Pool Employees				(635,537)
Elec. O&M Decrease Net Of Talent Pool Employees				10,070,170
GSU % (Adjustment for Co-owners)				92.67%
Total GSU Electric O&M Decrease				9,332,472
Other Payroll-related Expenses				
Benefits	21.88%			2,042,169
FICA	7.65%			713,934
FUTA	0.09%			8,399
SUTA	0.25%			23,331
Total Payroll-related Savings				2,787,833
Total Labor Savings				12,120,305
(1)Per Cities 15-10	277	10,806,007		39,011
Salary for 281 Employees	281	12,150,144		43,239
Total Average Salary	558	22,956,151		41,140

(2)Per PUCT104-1180

ATTACHMENT H

Entergy Gulf States, Inc.  
Payroll Adjustment  
Change From Employees Transferring to ESI

Payroll Change			
	ESI Transfers At Average Salary	ESI Transfers At Actual Billing	Savings
EGSI Employees Annual Salary	41,140		
EGSI Employees Above Transferring to ESI	48	48	
Payroll Change Due to Transfer on EGSI Employees	<u>(1,974,720)</u>	<u>1,021,395</u>	
O&M % (Including Co-owners)	<u>76.02%</u>	<u>76.02%</u>	
Total O&M Change	(1,501,136)	776,441	
Electric % (Including Co-owners)	<u>89.85%</u>	<u>89.85%</u>	
Electric O&M Change	(1,348,750)	697,622	
GSU % (Adjustment for Co-owners)	<u>92.67%</u>	<u>92.67%</u>	
Total GSU Electric O&M Decrease	(1,249,946)	646,517	
Other Payroll-related Expenses			
ESI Overhead 32.00%	0	206,885	
Benefits 21.88%	(273,518)	0	
FICA 7.65%	(95,621)	0	
FUTA 0.09%	(1,125)	0	
SUTA 0.25%	<u>(3,125)</u>	<u>0</u>	
Total Payroll-related Savings	<u>(373,389)</u>	<u>206,885</u>	
Total Labor Savings	<u>(1,623,335)</u>	<u>853,402</u>	<u>(769,933)</u>

**Entergy Gulf States, Inc.**  
**Payroll Adjustment**  
**Severance Increase**

Total Severance Costs		4,237,269
Amortization Period		<u>5 Years</u>
5 Year Amortization of Severance Costs		847,454
<hr/> <b>Other Payroll-related Expenses</b> <hr/>		
FICA	7.65%	64,830
FUTA	0.09%	763
SUTA	0.25%	<u>2,119</u>
Total Other Payroll-related Expenses		<u>67,712</u>
Total Increase		<u><u>915,166</u></u>

ENTERGY GULF STATES, INC.  
REVISED CONTRACTOR INCREASES

Meter Services Contractors Hired After Test Year	28
Average Amount Paid Per Hour	19.72
Average Hours Per Week	55
Weeks Per Year	<u>52</u>
Yearly Wages Paid	1,579,178
Truck Allowance (28 X \$600 X 12)	201,600
Total Contractor Increase	<u><u>1,780,778</u></u>
Texas Portion (23 out of 28)	<u><u>1,462,782</u></u>
Louisiana Portion (5 out of 28)	<u><u>317,996</u></u>

ENTERGY GULF STATES, INC.  
REVISED CONTRACTOR INCREASES  
FOR METER READING AND BILL COLLECTION  
PER JACOB POUS TESTIMONY  
SCHEDULE (JP-9) PAGE 2 OF 2

	12 Months Ended 6/30/96 (1)	12 Months Ended 12/31/96 (2)	Total Increase
Meter Reading	3,959,378	3,968,234	8,856
Bill Collection	676,267	927,384	251,117
Contractor Increases	<u>4,635,645</u>	<u>4,895,618</u>	<u>259,973</u>

(1) EGSI WP/P AJ27-18

(2) Cities 34-4





**ENTERGY GULF STATES, INC.  
CITIES' RECOMMENDED PENSION EXPENSE  
FOR THE TEST YEAR ENDED JUNE 30, 1996**

<u>Line</u> <u>No.</u>	<u>Calculation of Recommended Pension Expense</u>	
1	EGSI Requested Pension Expense Based on 1996 Actuarial Report	<u>(\$1,461,655)</u>
	Cities' Adjustments:	
2	Adjustment to reflect 1 % decrease in salary escalation factor	(1,261,000)
3	Adjustment to reflect 50 basis point increase in discount rate	(327,000)
4	Adjustment to reflect decrease in employee levels (below)	<u>(853,180)</u>
5	Cities Adjustment to EGSI request	<u>(2,114,180)</u>
6	Cities recommended pension expense	(3,902,835)
7	Test year pension expense	<u>(3,076,344)</u>
8	Cities adjustment to test year expense	<u><u>(\$826,491)</u></u>

Calculation of decrease in number of employees

9	Employees at January, 1996	1808
10	Employees at January, 1997	<u>1542</u>
11	Decrease	<u>266</u>
12	Percentage decrease	<u>14.71%</u>
13	SFAS Expense reduction per 1% decrease in number of employees	\$58,000
14	Times percentage point decrease	<u>14.71</u>
15	SFAS expense reduction for decrease in number of employees	<u><u>\$853,180</u></u>

Source and Reference

Line 1	EGSI WP/P AJ 31-2
Line 2	Response to Cities 93-3
Line 3	Response to Cities 20-3, 1% = (\$678,000)/2
Line 7	EGSI WP/P AJ 31-2
Line 9	EGSI Schedule G-1.5
Line 10	Response to PUCT66-PM-808
Line 12	Line 11 divided by line 9
Line 13	Response to Cities 20-3



**DOCKET 16705 - ENTERGY GULF STATES, INC.**  
**EXAMINER RECOMMENDED SURCHARGE FACTORS**  
**FOR THE RECONCILIATION PERIOD JULY 1, 1995 THROUGH JUNE 30, 1996**  
**(SURCHARGE PERIOD: MAY 1998-APRIL 1999)**

Schedule KP-2  
Surcharge Period 5/98 - 4/99  
EXAMINER PFD

Rate Class/Voltage Level	(1) Allocated Surcharge (\$)	(2) Forecasted KWh Sales May 1998 - April 1999	(3) Surcharge Factor per KWh (\$)
RESIDENTIAL SERVICE SECONDARY	16,799,057	N/A	N/A
SMALL GENERAL SERVICE SECONDARY			
SEASONAL AGRI*	113		N/A
OTHER	652,866	N/A	N/A
GENERAL SERVICE SECONDARY			
SEASONAL AGRI*	8,072		N/A
OTHER	9,461,940	N/A	N/A
PRIMARY			
SEASONAL AGRI*	42,314		N/A
OTHER	611,017	N/A	N/A
69/138 KV*	24,331		N/A
LARGE GENERAL SERVICE SECONDARY	1,736,340	N/A	N/A
PRIMARY	1,389,717	N/A	N/A
69/138 KV*	265,369		N/A
LARGE POWER SERVICE PRIMARY	186,967	N/A	N/A
69/138 KV*	6,611,259		N/A
230 KV*	2,809,599		N/A
HIGH LOAD FACTORS SERVICE 69/138 KV*	8,814,219		N/A
230 KV*	518,126		N/A
STREET & OUTDOOR LIGHTING SECONDARY	288,629	N/A	N/A
TOTAL	<u>50,219,938</u>		

**COLUMN INFORMATION**

Column	Description
(1)	Source: Examiner PFD Workpaper KP-2 Surcharge Period 5/98-4/99, Page 31
(2)	Forecasted kWh Sales @ Meter for the period May 1998 to April 1999 is not available from Company's initial rate filing package
(3)	(Column 2) / (Column 1)



**DOCKET 16705 - ENTERGY GULF STATES, INC.**  
**EXAMINER RECOMMENDED SURCHARGE FACTORS**  
**FOR THE RECONCILIATION PERIOD JULY 1, 1995 THROUGH JUNE 30, 1996**  
**(SURCHARGE PERIOD: MAY 1998)**

Schedule KP-2  
Surcharge Period May 1998  
**EXAMINER PFD**

<u>Rate Class/Voltage Level</u>	<u>(1) Allocated Surcharge (\$)</u>	<u>(2) Forecasted KWh Sales May 1998</u>	<u>(3) Surcharge Factor per KWh (\$)</u>
RESIDENTIAL SERVICE			
SECONDARY	16,396,181	N/A	N/A
SMALL GENERAL SERVICE			
SECONDARY			
SEASONAL AGRI*	110		N/A
OTHER	637,209	N/A	N/A
GENERAL SERVICE			
SECONDARY			
SEASONAL AGRI*	7,879		N/A
OTHER	9,235,023	N/A	N/A
PRIMARY			
SEASONAL AGRI*	41,300		N/A
OTHER	596,364	N/A	N/A
69/138 KV*	23,748		N/A
LARGE GENERAL SERVICE			
SECONDARY	1,694,699	N/A	N/A
PRIMARY	1,356,389	N/A	N/A
69/138 KV*	259,005		N/A
LARGE POWER SERVICE			
PRIMARY	182,483	N/A	N/A
69/138 KV*	6,452,707		N/A
230 KV*	2,742,219		N/A
HIGH LOAD FACTORS SERVICE			
69/138 KV*	8,602,836		N/A
230 KV*	505,701		N/A
STREET & OUTDOOR LIGHTING			
SECONDARY	281,707	N/A	N/A
TOTAL	<u>49,015,560</u>		

<b>COLUMN INFORMATION</b>	
<u>Column</u>	<u>Description</u>
(1)	Source: Examiner PFD Workpaper KP-2 Surcharge Period May 1998, Page 29
(2)	Forecasted kWh Sales @ Meter for May 1998 is not available from Company's initial rate filing package
(3)	(Column 2) / (Column 1)



**ENTERGY GULF STATES, INC.**  
**DOCKET NO. 16705 - FUEL RECONCILIATION PHASE**  
**SCHEDULE OF ALJ'S RECOMMENDED**  
**CALCULATED INTEREST BALANCE ON FUEL OVER/(UNDER) RECOVERY BALANCE**  
**For the Reconciliation Period July 1, 1995 through June 30, 1996**

ALJ Schedule A  
Docket No. 16705  
Page 1 of 3

Surcharge Period 5/98-4/99

Line No.	Month (b)	Year (c)	Texas		Interest Rate (e)	Monthly Interest Amount (f)	EGSI Interest Adjustment (g)	ALJ Interest Adjustment (h)	Docket No. 16705 Interest Surcharge (i)	Cumulative Interest Amount (j)	Cumulative Over/(Under) Recovery of Fuel & Interest (k)
			Cumulative Over/(Under) Recovery (d)	ALJ Schedule B			2nd Revised Schedule FR-21	ALJ Schedule C			
1	Beginning Balance		(\$17,659,023)								
2	Jul.	1995	(\$18,760,974)		0.003530627	(\$65,223)	\$0	\$0	\$0	(\$814,447)	(\$18,473,470)
3	Aug.	1995	(\$17,190,509)		0.003530627	(\$69,344)	\$0	\$0	\$0	(\$879,670)	(\$19,640,644)
4	Sep.	1995	(\$14,991,850)		0.003530627	(\$64,044)	\$0	\$0	\$0	(\$949,014)	(\$18,139,523)
5	Oct.	1995	(\$11,155,852)		0.003530627	(\$56,507)	\$0	\$0	\$0	(\$1,013,058)	(\$16,004,908)
6	Nov.	1995	(\$10,553,219)		0.003530627	(\$43,163)	\$0	\$0	\$0	(\$1,069,565)	(\$12,225,417)
7	Dec.	1995	(\$14,849,605)		0.003530627	(\$41,188)	\$0	\$0	\$0	(\$1,112,728)	(\$11,665,947)
8	Jan.	1996	(\$19,794,991)		0.004867551	(\$77,898)	\$0	\$0	\$0	(\$1,153,916)	(\$16,003,522)
9	Feb.	1996	(\$21,784,906)		0.004867551	(\$102,349)	\$0	\$0	\$0	(\$1,231,814)	(\$21,026,805)
10	Mar.	1996	(\$26,115,028)		0.004867551	(\$112,533)	\$0	\$0	\$0	(\$1,334,163)	(\$23,119,070)
11	Apr.	1996	(\$30,489,635)		0.004867551	(\$134,158)	\$0	\$0	\$0	(\$1,446,697)	(\$27,561,724)
12	May	1996	(\$37,927,879)		0.004867551	(\$156,105)	\$0	\$0	\$0	(\$1,580,855)	(\$32,070,490)
13	Jun.	1996	(\$42,230,593)		0.004867551	(\$193,071)	\$0	\$0	\$0	(\$1,736,960)	(\$39,664,838)
14	Jul.	1996	(\$42,230,593)		0.004867551	(\$214,954)	\$0	\$0	\$0	(\$1,930,030)	(\$44,160,624)
15	Aug.	1996	(\$42,230,593)		0.004867551	(\$216,000)	\$0	\$0	\$0	(\$2,144,984)	(\$44,375,578)
16	Sep.	1996	(\$42,230,593)		0.004867551	(\$217,052)	\$0	\$0	\$0	(\$2,360,985)	(\$44,591,578)
17	Oct.	1996	(\$42,230,593)		0.004867551	(\$218,108)	\$0	\$0	\$0	(\$2,578,036)	(\$44,808,630)
18	Nov.	1996	(\$42,230,593)		0.004867551	(\$219,170)	\$0	\$0	\$0	(\$2,796,145)	(\$45,026,738)
19	Dec.	1996	(\$42,230,593)		0.004867551	(\$220,237)	\$0	\$0	\$0	(\$3,015,315)	(\$45,245,908)
20	Jan.	1997	(\$42,230,593)		0.004408203	(\$200,424)	\$0	\$0	\$0	(\$3,235,551)	(\$45,466,145)
21	Feb.	1997	(\$42,230,593)		0.004408203	(\$201,308)	\$0	\$0	\$0	(\$3,435,975)	(\$45,666,569)
22	Mar.	1997	(\$42,230,593)		0.004408203	(\$202,195)	\$0	\$0	\$0	(\$3,637,283)	(\$45,867,876)
23	Apr.	1997	(\$42,230,593)		0.004408203	(\$203,086)	\$0	\$0	\$0	(\$3,839,478)	(\$46,070,071)
24	May	1997	(\$42,230,593)		0.004408203	(\$203,981)	\$0	\$0	\$0	(\$4,042,564)	(\$46,273,158)
25	Jun.	1997	(\$42,230,593)		0.004408203	(\$204,881)	\$0	\$0	\$0	(\$4,246,546)	(\$46,477,139)
26	Jul.	1997	(\$42,230,593)		0.004408203	(\$205,784)	\$0	\$0	\$0	(\$4,451,426)	(\$46,682,020)
27	Aug.	1997	(\$42,230,593)		0.004408203	(\$206,691)	\$0	\$0	\$0	(\$4,657,210)	(\$46,887,803)
28	Sep.	1997	(\$42,230,593)		0.004408203	(\$207,602)	\$0	\$0	\$0	(\$4,863,901)	(\$47,094,494)
										(\$5,071,503)	(\$47,302,097)





Surcharge Period 5/98-4/99

**ENTERGY GULF STATES, INC.**  
**DOCKET NO. 16705 - FUEL RECONCILIATION PHASE**  
**SCHEDULE OF ALJ'S RECOMMENDED**  
**CALCULATED INTEREST BALANCE ON FUEL OVER/(UNDER) RECOVERY BALANCE**  
For the Reconciliation Period July 1, 1995 through June 30, 1996

Line No.	Month (b)	Year (c)	Texas		Interest Rate (e)	Monthly Interest Amount (f)	GSU Interest Adjustment (g)	ALJ Interest Adjustment (h)	Docket No. 16705 Interest Surcharge (i)	Cumulative Interest Amount (j)	Cumulative Over/(Under) Recovery of Fuel & Interest (k)
			Cumulative Over/(Under) Recovery (d)	ALJ Schedule B			2nd Revised Schedule FR-21	ALJ Schedule C			
29	Oct.	1997	(\$42,230,593)		0.004408203	(\$208,517)				(\$5,280,020)	(\$47,510,614)
30	Nov.	1997	(\$42,230,593)		0.004408203	(\$209,436)			\$0	(\$5,489,457)	(\$47,720,050)
31	Dec.	1997	(\$42,230,593)		0.004408203	(\$210,360)			\$0	(\$5,699,816)	(\$47,930,410)
32	Jan.	1998	(\$42,230,593)		0.004487566	(\$215,091)			\$0	(\$5,914,907)	(\$48,145,501)
33	Feb.	1998	(\$42,230,593)		0.004487566	(\$216,056)			\$0	(\$6,130,963)	(\$48,361,557)
34	Mar.	1998	(\$42,230,593)		0.004487566	(\$217,026)			\$0	(\$6,347,989)	(\$48,578,583)
35	Apr.	1998	(\$42,230,593)		0.004487566	(\$218,000)			\$0	(\$6,565,989)	(\$48,796,582)
36	May	1998	(\$38,711,377)		0.004487566	(\$218,978)			\$766,144	(\$6,018,823)	(\$44,730,200)
37	Jun.	1998	(\$35,192,161)		0.004487566	(\$200,730)			\$747,895	(\$5,471,657)	(\$40,663,818)
38	Jul.	1998	(\$31,672,945)		0.004487566	(\$182,482)			\$729,647	(\$4,924,492)	(\$36,597,437)
39	Aug.	1998	(\$28,153,729)		0.004487566	(\$164,233)			\$711,399	(\$4,377,326)	(\$32,531,055)
40	Sep.	1998	(\$24,634,513)		0.004487566	(\$145,985)			\$693,151	(\$3,830,160)	(\$28,464,673)
41	Oct.	1998	(\$21,115,297)		0.004487566	(\$127,737)			\$674,903	(\$3,282,994)	(\$24,398,291)
42	Nov.	1998	(\$17,596,081)		0.004487566	(\$109,489)			\$656,655	(\$2,735,829)	(\$20,331,909)
43	Dec.	1998	(\$14,076,864)		0.004487566	(\$91,241)			\$638,407	(\$2,188,663)	(\$16,265,527)
44	Jan.	1999	(\$10,557,648)	A	0.004487566	(\$72,993)			\$620,158	(\$1,641,497)	(\$12,199,146)
45	Feb.	1999	(\$7,038,432)	A	0.004487566	(\$54,744)			\$601,910	(\$1,094,331)	(\$8,132,764)
46	Mar.	1999	(\$3,519,216)	A	0.004487566	(\$36,496)			\$583,662	(\$547,166)	(\$4,066,382)
47	Apr.	1999	(\$0)	A	0.004487566	(\$18,248)			\$565,414	\$0	(\$0)
48											
49											
TOTAL						(\$6,791,687)			\$0	\$4,323,139	

