

ENTERGY GULF STATES, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
Docket No. 22356

Response of: Entergy Gulf States, Inc.
to the Fifty Eighth Set of Data Requests
of Requesting Party: Cities

Prepared By: Mark Young
Sponsoring Witness: Robert Hahne
Beginning Sequence No.
Ending Sequence No.

Question No.: CITIES 58 -61

Part No.:

Addendum:

Question:

Referring to Mr. Hahne's rebuttal testimony, page R3-163, lines 12-14, provide the SEC's definition of "fair and equitable" manner. Include copies of any SEC documents relied on to prepare this definition.

Response:

The SEC does not provide a definition of "fair and equitable" as it relates to Section 13(b) of the Public Utility Holding Company Act of 1935 (PUHCA). This section of PUHCA states in part that "after April 1, 1936, it shall be unlawful for any subsidiary company of any registered holding company or for any mutual service company, by use of the mails or any means or instrumentality of interstate commerce or otherwise, to enter into or take any step in the performance of any service, sales, or construction contract by which such company undertakes to perform services or construction work for, or sells goods to, any associate company thereof except in accordance with such terms and conditions and subject to such limitations and prohibitions as the Commission by rules and regulations or order shall prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers and to insure that such contracts are performed economically and efficiently for the benefit of such associate companies at cost, fairly and equitably allocated among such companies."

The text of PUHCA is provided in Mr. Hahne's response to CITIES 58-55.