

Industrial Energy Consumers (TIEC); Texas Legal Services Center; and TXU Energy Retail Company LP (TXU).

On February 20, 2003, the Commission's Policy Development Division issued an order requesting briefing on certain issues, including whether to pursue an interim solution at this time; the sequence for resolving issues; independence of the system operator; jurisdictional separation; and termination of the pilot project in the event an interim solution is not authorized. On March 3, 2003, the following parties filed initial briefs: ARM, Cities, Commission Staff, El Paso Electric, Entergy, Entergy REPs, ERCOT, OPC, Reliant, Sam Rayburn G&T Cooperative, TIEC, and TXU. Entergy modified its petition in its brief. Reply briefs were filed on March 10, 2003 by Commission Staff, Entergy, Entergy REPs, Reliant, Sam Rayburn, TIEC, and TXU.

## II. Discussion

Entergy requested that the Commission determine, no later than March 21, 2003, whether it is appropriate for the utility to proceed with the interim solution pursuant to the milestones and decision points under its proposal. The milestones include, but are not limited to, the completion of the market protocols, pilot project, business separation, and a market-readiness proceeding. Entergy's proposal ultimately leads to the implementation of an interim solution on January 1, 2004. But if that date cannot be met for whatever reason, Entergy recommended that the interim solution not be pursued and that all efforts and expenses associated with the transition to competition, with the exception of the jurisdictional separation of the company's Texas and Louisiana operations, cease until at least January 1, 2007. Thereafter, Entergy suggested that competition begin only upon the certification of the power region under PURA<sup>3</sup> § 39.152.

The Commission finds that an interim solution may be appropriate, but disagrees with the approach set forth in Entergy's petition, particularly with regard to the "drop dead" date of January 1, 2004. It is neither reasonable nor efficient to cease all

---

<sup>3</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-64.158 (Vernon 1998 & Supp. 2003) (PURA).

competitive-transition activities and expenses if retail competition cannot begin on that specific date. Entergy's proposal does not provide adequate time to achieve the necessary milestones and to make informed decisions regarding the market protocols, certification of an independent organization, and market readiness. Perhaps more importantly, Entergy's proposal would not allow continued progress to be made if the competitive market was not ready—for any reason—on January 1, 2004. The Commission seeks to introduce competition as quickly as possible, but it is essential to complete the necessary groundwork in a way that will lead to a successful and fully functional market—even under an interim solution. While January 1, 2004 may not be feasible, it appears reasonable at this point to start competition under an interim solution in this area by December 2004.

The Commission recognizes that there are key milestones to be accomplished that could affect the viability, timing, and nature of competition under an interim solution. First, the Commission must address contested issues related to the market protocols in Docket No. 25089. After interim approval of the protocols, the Commission plans to undertake a proceeding to certify an independent organization pursuant to PURA § 39.151. Subsequently, the Commission and the parties should focus on reinvigorating the pilot project and selecting a date certain, if appropriate, for the start of full retail competition. In addition, Entergy could resume business-separation proceedings in other jurisdictions and, to the extent necessary, address business-separation amendments in Entergy's unbundled cost-of-service docket or jurisdictional separation at the Commission. The Commission anticipates that the pilot project would begin after FERC approves the market protocols (even if such approval is on an interim basis). After there is experience with the pilot project, the market-readiness proceeding should be initiated to determine whether the power region can offer fair competition and reliable service pursuant to the Commission's order in Docket No. 24469. Upon a Commission finding that the region can offer fair competition and reliable service, the market would open after market participants are afforded an adequate opportunity to negotiate contracts.

### III. Order

For the reasons stated above, the Commission denies Entergy's petition and orders the following sequence, which contemplates that an interim solution may begin by December 2004.

- Approve the market protocols in Docket No. 25089 and participate, as appropriate, in FERC proceedings to approve changes to Entergy's open access transmission tariff to implement retail competition.
- Certify an independent organization pursuant to PURA § 39.151.
- Resume business-separation proceedings in other jurisdictions and, to the extent necessary, at the Commission.
- Reinvigorate and conduct the pilot project upon FERC approval of the market protocols.
- Initiate a market-readiness proceeding and determine whether the power region can offer fair competition and reliable service pursuant to the Commission's order in Docket No. 24469.

The Commission attaches a schedule indicating approximate milestone dates for the above sequence, but realizes that these anticipated dates may shift. The ultimate goals toward an interim solution, however, remain intact.

Docket No. 27273

Order on Rehearing

Page 5

SIGNED AT AUSTIN, TEXAS the 25<sup>th</sup> day of July 2003

PUBLIC UTILITY COMMISSION OF TEXAS

  
REBECCA KLEIN, CHAIRMAN

  
BRETT A. PERLMAN, COMMISSIONER

Docket No. 27273

Order on Rehearing

Page 6

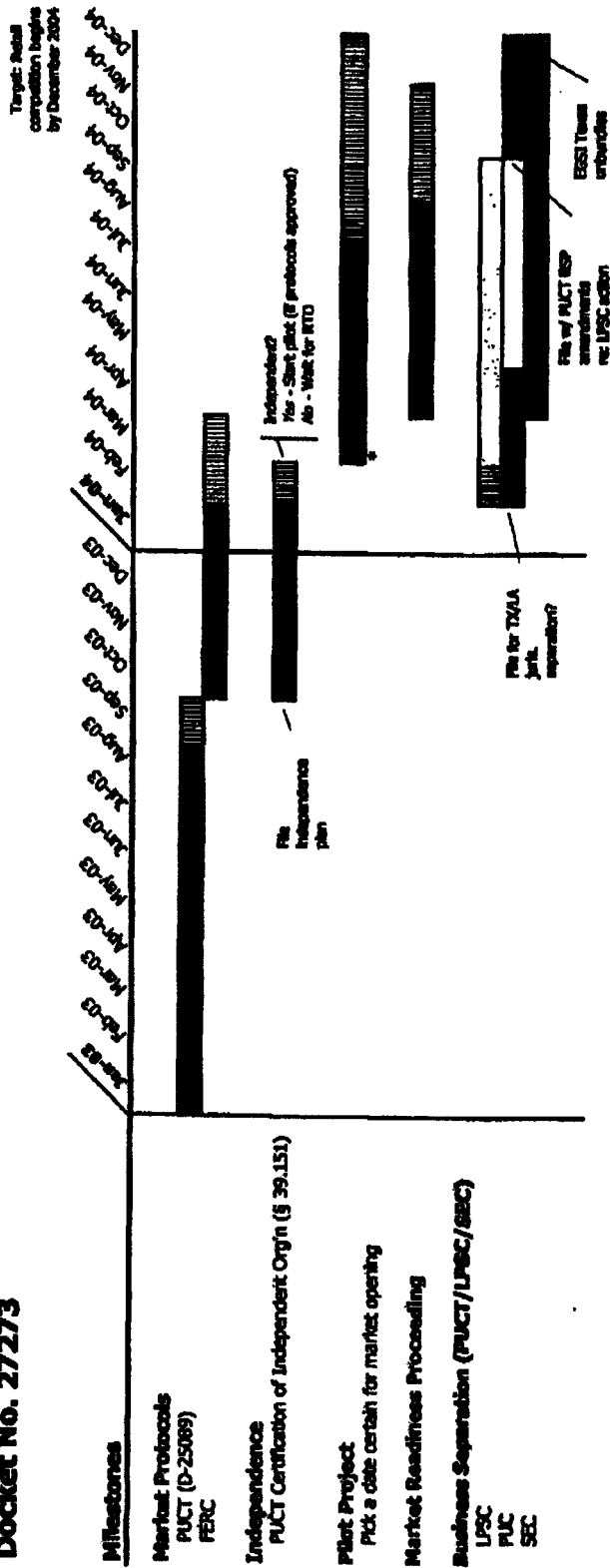
To ensure that there is "fair competition and reliable service to all retail customer classes," TEX. UTIL. CODE ANN. § 39.103, I believe that there must be, at a minimum, either a functioning and independent regional transmission organization, or an agreement between all parties in Docket No. 25089 that provides mutually satisfactory terms for critical market protocols, including imbalance energy payments. Because neither exists at this time, I must respectfully dissent from the schedule set forth in this order.

  
\_\_\_\_\_  
JULIE PARSLEY, COMMISSIONER

q:\pdforders\final\27000\27273final-timeline-rehearing.doc

3/21/2003

## Schedule for Interim Solution - Key Milestones Docket No. 27273

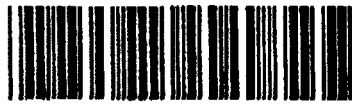


C:\P\ORDERS\FINAL\27000\27273-chart.MFR.xls

Back Up



Control Number: 27273



Item Number: 67

Addendum StartPage: 0

Proj CD		Proj NM	FISCL YR NO							Grand Total
			1999	2000	2001	2002	2003	2004	2005	
TRALRM		RULEMAKING			(92)	302			210	
TRALRM Total					(92)	302			210	
TRALSA		SYSTEM AGREEMENT MODIFICATION		30,285	32,232				62,528	
TRALSA Total				30,285	32,232				62,528	
TRALSC		STRANDED COST (METHOD, DET, SECURIT		18,236					18,236	
TRALSC Total				18,236					18,236	
TRALUB		UNBUNDLING (TARIFFS, FUNCTIONS, BIL		40,275	14,624				54,900	
TRALUB Total				40,275	14,624				54,900	
TRCORM		RULEMAKING		3,571	381,536				385,107	
TRCORM Total				3,571	381,536				385,107	
TRCOSA		SYSTEM AGREEMENT MODIFICATION		31,286	31,106				62,392	
TRCOSA Total				31,286	31,106				62,392	
TRCOSC		STRANDED COST (MTHD, DTRMINATION, RE		23,033	9,763				32,797	
TRCOSC Total				23,033	9,763				32,797	
TRCOUB		UNBUNDLING (TARIFFS, FUNCTIONS,BILL		552,565	219,226	(2,162)	9		769,637	
TRCOUB Total				552,565	219,226	(2,162)	9		769,637	
TRCORMI		RULEMAKING - INCRMT		973	222				1,195	
TRCORMI Total				973	222				1,195	
TRCSAI		SYSTEM AGREEMENT MODIFICATION - INC		4,261	4,078				8,339	
TRCSAI Total				4,261	4,078				8,339	
TRCSCI		STD COST (MTD, DTRMINATN, RECVY) - I		35,875	5,765				41,640	
TRCSCI Total				35,875	5,765				41,640	
TRCUBI		UNBUND (TARIFF, FUNCTION, BILL) - I		697,851	13,498				711,349	
TRCUBI Total				697,851	13,498				711,349	
TRGTRM		RULEMAKING-EGS TEXAS		60,790	336,945	190,468	119,577	224,699	949,509	
TRGTRM Total				60,790	336,945	190,468	119,577	224,699	949,509	
TRGTSA		SYSTEM AGRMNT MODIFICATION-EGS-TX		412	60,508	14,347			75,268	
TRGTSA Total				412	60,508	14,347			75,268	
TRGTSC		STRANDED COST(MTHD, DTRMINATN) - TX		254,760	1,064,287				1,319,058	
TRGTSC Total				254,760	1,064,287				1,319,058	
TRGTUB		UNBUNDLING(TARIFFS,FUNCTNS)EGS-TX		266,869	9,842,063	8,638,054	843,490	541,486	20,430,085	
TRGTUB Total				266,869	9,842,063	8,638,054	843,490	541,486	20,430,085	
TRJRM		RULEMAKING - INCRMT		5,620	352				5,973	
TRJRM Total				5,620	352				5,973	
TRISAI		SYSTEM AGREEMENT MODIFICATION - INC		158,658	70,286				228,944	
TRISAI Total				158,658	70,286				228,944	
TRISCI		STRNDED COST (MTD, DET, SECURITZ) -		98,588	6,705				105,293	
TRISCI Total				98,588	6,705				105,293	
TRJUBI		UNBUNDLING (TARFF, FNCTN, BILL) - I		2,580	184				2,764	
TRJUBI Total				2,580	184				2,764	
ZULGST		TRANSITION TO COMPETITION - EGS1 TX		1,888,360	177,752	(97,840)		(4,122)	1,964,150	
ZULGST Total				1,888,360	177,752	(97,840)		(4,122)	1,964,150	
ZULGSU		TRANSITION TO COMPETITION - EGS1 AL		22,310	7,232				29,543	
ZULGSU Total				22,310	7,232				29,543	
ZULREG		TRANSITION TO COMPETITION - REG. C		366,014	61,029				427,043	
ZULREG Total				366,014	61,029				427,043	
Planning & Regulatory Total			2,604,362	12,184,528	10,743,209	877,412	766,193	488,395	27,996,716	
Grand Total			2,604,362	12,184,528	10,743,209	877,412	766,193	488,395	27,996,716	

2005 TTC RIDER PRM-9



This page has been intentionally left blank.

Sum of Total Class	PROJ CD	PROJ NM	FISCAL YR NO					Grand Total
			1999	2000	2001	2002	2003	
Implementation Management	FTCCX	FUNCTIONAL AND SYS INTEGRATION TTC			2,004,892	434,507	483,301	2005
	FTCCX Total				2,004,892	434,507	483,301	130,019
	TRALCI	CUSTOMER INTERFACE INFRASTRUCTURE			2,004,892	434,507	483,301	130,019
	TRALCI Total				2,004,892	434,507	483,301	130,019
	TRALIM	TRANSITION IMPLEMENTATION MANAGEMENT			7,087			7,087
	TRALIM Total				7,087			7,087
	TRCCHI	CUSTOMER INTERFC INFRASTR (COMMON) - I			103,808	8,105		111,913
	TRCCHI Total				103,808	8,105		111,913
	TRCCMI	TRANSITION IMPLEMENTATION MGT - INC			254,873			254,873
	TRCCMI Total				254,873			254,873
	TRCCCI	CUSTOMER INTERFACE INFRASTR - COMMO			1,289,595	20,400		1,309,995
	TRCCCI Total				1,289,595	20,400		1,309,995
	TRCCIM	TRANSITION IMPLEMENTATION MANAGEMENT			269,224	20,707		289,931
	TRCCIM Total				269,224	20,707		289,931
	TRGTCE	CONSUMER EDUCATION - EGS TX DISTRIB			589,276	98,587		687,864
Implementation Management Total	TRGTCE Total				589,276	98,587		687,864
	TRGTCT	CUSTOMER INTERFACE INFRASTR - EGS TX			1,231	4,958		6,190
	TRGTCT Total				1,231	4,958		6,190
	TRGTIM	TRANSITION IMPL MGMT - EGS TX DIST			554	9,101	15,489	25,144
	TRGTIM Total				554	9,101	15,489	25,144
	TRUCEI	CONSUMER EDUCATION - INCRMT			35,983	4,427,304	2,712,813	7,496,099
	TRUCEI Total				35,983	4,427,304	2,712,813	7,496,099
	TRUCI	CUSTOMER INTERFACE INFRASTRUCT - IN			27			27
	TRUCI Total				27			27
	TRUIMI	TRANSITION IMPLEMENTATION MGT - INC			3,771			3,771
	TRUIMI Total				3,771			3,771
	TRUJMI				97,151	17,890		115,041
	TRUJMI Total				97,151	17,890		115,041
	Grand Total				37,749	2,989,200	6,614,353	15,988,836
					37,749	2,989,200	6,614,353	15,988,836

2005 TTC RIDER PRM-10

This page has been intentionally left blank.

OCT-12-99 TUE 09:37 AM ENTERGY TX JOE DOMINO FAX NO. 98665512

P. 01



### Public Utility Commission of Texas

1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326  
512 / 936-7000 • (Fax) 936-7003  
Web Site: [www.puc.state.tx.us](http://www.puc.state.tx.us)

Pat Wood, III  
Chairman

Judy Walsh  
Commissioner

Brett A. Periman  
Commissioner

October 6, 1999

Comptroller's Use  
T Code \*90180  
Deposit Code \*244

Mr. Joe Domino, President  
Entergy Gulf States, Inc.  
350 Pine St.  
P.O. Box 2951  
Beaumont, TX 77704

Dear Mr. Domino:

Pursuant to the Final Order of the Public Utility Commission (10/6/99, copy attached), the System Benefit Assessment is set in the total amount of \$1,116,695 for fiscal year 2000. The assessment for your company is due and payable on the date and in the amount prescribed below.

**SYSTEM BENEFIT ASSESSMENT STATEMENT  
FISCAL YEAR 2000  
DUE AND PAYABLE ON OR BEFORE NOVEMBER 1, 1999  
AMOUNT DUE: \$73,262.64**

1. Please make remittance payable to State Comptroller.
2. Please mail remittance and a copy of this statement in the enclosed envelope to:

Comptroller of Public Accounts  
111 E. 17<sup>th</sup> St.  
Austin, TX 78774-0100

We will appreciate prompt attention to this matter. Should any questions arise concerning the assessment, please contact Robert Saathoff, Director of Fiscal Services, at 936-7065.



Printed on recycled paper

An Equal Opportunity Employer

CENTRAL RECORDS  
HUMAN RESOURCES  
INFORMATION TECHNOLOGY  
TTY

(512) 936-7100  
(512) 936-7000  
(512) 936-7000  
(512) 936-7100

EXECUTIVE DIRECTOR  
POLICY DEVELOPMENT  
REGULATORY AFFAIRS

(512) 936-7040  
(512) 936-7200  
(512) 936-7300

CUSTOMER PROTECTION  
MEDIA RELATIONS  
CUSTOMER HOTLINE

(512) 936-7100  
(512) 936-7130  
(512) 936-7100  
(512) 782-6477

P. 03/06

FAX NO. 5124873989

OCT-14-99 THU 12:10 PM ENTERGY



# Non-Purchase Order Payment Request Form

Exhibit PRM-11  
2005 TTC Cost Case  
Page 1 of 1  
Page 2 of 6

## Vendor Payment Information

Vendor No: 031183

Pay To: COMPTROLLER OF PUBLIC ACCOUNTS

Address: 111 EAST 17TH ST

City/State/Zip: AUSTIN, TX 787740100

## Special Check Handling Options

Return To Requester

Issue Separate Check

Payment For: GSU-TX System Benefit Assessment - Fiscal Yr 2000

Contract No:

## Special Handling Instructions

Mail Check To: Spencer, Claudette M

Mail Unit: L-ENT-111

## Check Stub Information

Invoice Date: 10/08/1999

Invoice No: GSU-SYSTEMS BENEFITS

Terms: IMM

Amount to be Paid: \$73,262.64

Check Stub Desc: GSU-TX Assessment

## ALL TAXES INCLUDED

### Account Distribution

Org	Resource	Activity	Project	Phys Location	Amount
209	856	TTCs	ZULGST	ENT	\$73,262.64

RETURN TO REQUESTER

Total Amount to be Paid: \$73,262.64

## Requester/Authorizer

Request Date: 10/22/1999

Requester: Spencer, Claudette M  
5045764493  
L-ENT-111

Spencer, Claudette M  
5045764493  
L-ENT-111

Authorizer: Smith, Richard J

Authorizer Signature/Date:

*Richard J Smith* 10/22/99

Mail To Inter-Company Mail Unit M-ECH-PAY

Pat Wood, III  
Chairman

Judy Walsh  
Commissioner

Brett A. Perlman  
Commissioner

W. Lane Lanford  
Executive Director



## Public Utility Commission of Texas

August 1, 2000

Mr. Barry Howell, Mgr. Project-Reg. Affairs  
Entergy Gulf States, Inc.  
919 Congress Ave., Suite 840  
Austin, TX 78701

Dear Mr. Howell:

Pursuant to the Final Order of the Public Utility Commission (5/10/2000, copy attached), the System Benefit Assessment is set in the total amount of \$13,213,720.00 for fiscal year 2001. The assessment for your company is due and payable on the date and in the amount prescribed below.

**SYSTEM BENEFIT ASSESSMENT STATEMENT  
FISCAL YEAR 2001  
DUE AND PAYABLE ON OR BEFORE SEPTEMBER 1, 2000**

**AMOUNT DUE: \$842,629.98  
ALL FUNDS MUST BE WIRED**

### WIRING INSTRUCTIONS

Bank name: Bank of America, Dallas  
Routing number: 111000025  
Account number: 6040070086  
Account name: Carole Keeton Rylander  
COMPTROLLER OF PUBLIC ACCOUNTS

Reference: Credit to PUBLIC UTILITY COMMISSION #473  
Contact Robert Saathoff

Remitter's information: Company name  
Company contact individual  
System Benefit Assessment

We will appreciate prompt attention to this matter. Should any questions arise concerning the assessment, please contact Robert Saathoff, Director of Fiscal Services 512-936-7065, or email [bob.saathoff@puc.state.tx.us](mailto:bob.saathoff@puc.state.tx.us).



Printed on recycled paper

An Equal Opportunity Employer

1701 N. Congress Avenue PO Box 13326 Austin, TX 78711 512/936-7000 Fax: 512/936-7003 web site: [www.puc.state.tx.us](http://www.puc.state.tx.us)



Pat Wood, III  
Chairman

Judy Walsh  
Commissioner

Brett A. Perlman  
Commissioner

W. Lane Lanford  
Executive Director



## Public Utility Commission of Texas

April 5, 2001

Mr. Barry Howell, Mgr. Project-Reg. Affairs  
Entergy Gulf States, Inc.  
919 Congress Ave., Suite 840  
Austin, TX 78701

Dear Mr. Howell:

Pursuant to the Final Order of the Public Utility Commission (12/7/2000, copy attached), the System Benefit Assessment supplemental nonbypassable fee is set in the total amount of \$65,868,783.00 for fiscal year 2001. The assessment for your company is due and payable on the date and in the amount prescribed below.

**SYSTEM BENEFIT ASSESSMENT SUPPLEMENTAL STATEMENT  
FISCAL YEAR 2001  
DUE AND PAYABLE ON OR BEFORE APRIL 15, 2001**

**AMOUNT DUE: \$4,200,407.71  
ALL FUNDS MUST BE WIRED**

### WIRING INSTRUCTIONS

Bank name: Bank of America, Dallas  
Routing number: 111000025  
Account number: 6040070086  
Account name: Carole Keeton Rylander  
COMPTROLLER OF PUBLIC ACCOUNTS

Reference: Credit to PUBLIC UTILITY COMMISSION #473  
Contact Robert Saathoff

Remitter's information: Company name  
Company contact individual  
System Benefit Assessment

We will appreciate prompt attention to this matter. Should any questions arise concerning the assessment, please contact Robert Saathoff, Director of Fiscal Services 512-936-7065, or email [hob.saathoff@puc.state.tx.us](mailto:hob.saathoff@puc.state.tx.us).



Printed on recycled paper

An Equal Opportunity Employer

1701 N. Congress Avenue PO Box 13326 Austin, TX 78711 512/936-7000 Fax: 512/936-7003 web site: [www.puc.state.tx.us](http://www.puc.state.tx.us)



P. 01/02  
P. 01 Exhibit PRM-11  
P. 01 2005 TTC Cost Case  
Page 6 of 6  
Image #  
19435147

TRGTWR

\$4,200,407.51

**Vendor's federal tax ID, phone number, and physical street address are needed for all new vendors. G. Data**

[redacted] AGH [redacted] DOX [redacted] WIRE [redacted] DEPT MEMO

Amount to be Transferred	4,200,407.71
--------------------------	--------------

**Fax to Account Payable at 001 348 5300 or 001 348 5320, or internally, at 433 5300 or 433 5320. If a fax machine**

366



096731

**CHOICE! Energy**



5718 Westheimer, Suite 1300  
Houston, Texas 77057  
713 813-0500 Fax 713 813-0500  
www.choiceenergy.com

Date	Invoice #
5/29/2003	80025 B

**Bill To**

Entergy Gulf States  
10055 Grogans Mill RD, Ste 300  
Woodlands, TX 77380  
FAX 281-297-3829

**BROKER CONFIRMATION**

Description	Amount
<b>TRANSACTION CONFIRMATION EMISSIONS SALE</b>	
We hereby confirm, acting as an agent per your instructions; we have arranged the following transaction on your behalf	
Trade Date: May 29, 2003	
Transaction Type: Renewable Energy Credit (REC) Vintage 2002	
SELLER: TXU Portfolio Management Company LP	
Contact: Colin Moore	
Fax: 214-875-9051 Phone: 214-875-9796	
BUYER: Entergy Gulf States	
Contact: Pam Meaux	
Fax: 281-297-3829 Phone: 281-297-3529	
Price: \$12.00 per credit (REC)	
Volume: 15,894 credits	
Transaction Fees: 1.00% of Total Cost	
	1,907.28
Northern Trust Bank of Texas	
Wire Instructions: ABA# 1110-1606-4 Acct# 09600 00176	
Thank you for using CHOICE! Energy, LP	
GDP	
	Total  \$1,907.28

Disclaimer: CHOICE! Energy, LP acted solely as the broker for the transaction. The Counterparties themselves determined the terms and conditions of the transaction. CHOICE! Energy, LP bears no responsibility for the ability of the counterparties to satisfy their respective financial obligations regarding the transaction. Counterparties are solely responsible for fulfilling their respective obligations. In the event of a default by either counterparty, CHOICE! Energy, LP bears no liability whatsoever to either counterparty.



TXU Portfolio Management Company LP  
P.O. Box 136080  
Dallas, TX 75313



**Invoice**

Customer #  
Invoice No. REC 03  
Invoice Date: 06/13/03  
Due Date: 06/18/03

Entergy Gulf States, Inc  
Attn: Pam Meaux  
10055 Grogan's Mill Road, Ste 300  
Woodlands, Texas 77380  
Tel: 281-297-3529  
Fax: 281-297-3733

Trade Date	Trade ID	Deal #	Activity Month	Activity Description	Activity Quantity	Price per REC	Total Amount
5/29/03		REC00162	May-03	REC Sale	15,894	\$ 12.00	\$ 190,728.00

Total Sales \$ 190,728.00

TXU Portfolio Management Company LP  
Chase Bank of Texas - Dallas  
Acct# 08806318059  
ABA# 1130-0080-9

For questions, please contact  
Sandra Boyer  
Phone: 214-875-9013  
Fax: 214-875-9087  
sboyer2@txu.com



JUN-04-2004 13:48 FROM: TXU

214 875 9067

Exhibit PRM-12  
2005 TTC Cost Case  
TO: 281 297 373 Page 6 of 16 P.1/1

TXU Portfolio Management Company LP  
P.O. Box 850755  
Dallas, TX 75285-0755



**Invoice**

Customer #  
Invoice No. REC 000404 Entergy  
Invoice Date: 06/04/04  
Due Date: 06/09/04

Entergy Gulf States, Inc  
Attn: Pam Mahan  
10055 Grogan's Mill Road, Ste. 300  
Woodlands, Texas 77380  
Tel: 281-297-9580  
Fax: 281-297-5733

Trade Date	Trade ID	Deal #	Activity Month	Activity Description	Activity Quantity	Price per REC	Total Amount
6/2/04	DAN027	REC000240	Jun-04	REC Sale	22,618	\$ 12.25	\$ 277,033.75

Total Sales \$ 277,033.75

TXU Portfolio Management Company LP  
Chase Bank of Texas - Dallas  
Acct# 08806318058  
ABA# 1130-0080-9

For questions, please contact:  
Elise Libbers  
Phone: 214-875-9283  
Fax: 214-875-9067  
ELIBBERS1@TXU.COM

**FAX NO. 2812973735**

P. 02/03

### Energy Accounts Payable

Internal Image # 232 54021

## Request for Electronic Funds Transfer Form

**Last Updated 2/4/04**

TRGTI

4215709

Pay To	GULF CAPITAL PARTNERS
Attention	F/F/CR TO 10208840.1
Vendor Bank Name	JPMORGAN CHASE
Vendor A/R #	021000021
Vendor Account #	507108803
City and State	HOUSTON, TX

Date of Transfer	17-Mar-05
Amount	215,709.00
Purpose	RENEWABLE ENERGY CREDI 03/03
Contract No.	
F.O. Number	
Invoice No.	05.03.15
Invoice Date	15-Mar-05

Other Information EGSI INV#: 05.03.15

PROJECT: F5PCTRGTIM

**ACH**

**X**

**WIRE****DEBIT MEMO**

### Accounting Code Block

[illegible]

Fax to Accounts Payable at (504) 576-7054 or (504) 576-7053 or internally at 8-676-7064 or 8-576-7055. If a fax machine is not available, contact Source Systems Payment Assistance at the number below. ACH requests must be received by NOCH two business days before the funds are to be transferred. Wire requests must be received by NOCH one business day before the funds are to be transferred. After funding do not mail the original.

Questions? Call Service System Payment Assistance Center at (504) 576-7400 or internally at 8-576-7400.

must be received  
original.

576-7400.

x Marilyn Valachi

3/17/65 ok for same day wire



MAR-17-2005 THU 11:47 AM ESI CASH OPERATIONS  
MAR-17-05 THU 09:12 AM ENTERGY-ENERGY MGMT/EAR  
Mar-16-05 04:13P

Exhibit PRM-12 P. 02  
FAX NO. 5045784880 TTC Cost Case  
Page 8 of 16  
FAX NO. 2812973735 P. 03/03  
P. 02

Gulf Capital Partners, Inc.  
952 Echo Lane, Suite 322  
Houston, TX 77024  
713-984-9525  
Fax 713-984-9232  
mjsmith@gulfcap.com



# INVOICE

3/15/05

Invoice No.: 05.03.15

Pam Meaux  
Entergy Gulf States, Inc.  
10055 Crogans Mill Rd.  
Suite 300  
The Woodlands, TX 77380  
Contact name: Pam Meaux  
Contact phone number: 281-297-3649  
Contact fax: 281-297-3949

Re: Invoice for Purchase of 16,593 MWhrs of 2004 Texas RECs  
Seller: Gulf Capital Partners, Inc.  
Buyer: Entergy Gulf States, Inc.

Purchase Price: \$215,709.00 (Calculated by 16,593 MWhrs X \$13.00)  
Please wire transfer the amount of: \$215,709.00 per the REC Transaction Agreement dated March 15, 2005;

## Bank Information:

- JPMorgan Trust Company, National Association  
Institutional Trust Services  
2001 Bryan Street, 10<sup>th</sup> Floor  
Dallas, TX 75201  
For: GulfCap REC Escrow Account  
Acct # 507198883 for further credit to 10209840.1  
ABA #021000021

Contact Person: Michael J. Smith  
952 Echo Lane, Suite 322  
Houston, TX 77024  
Ph: 713-984-9525  
Fax: 713-984-9232

Tax ID # 76-0487526

We thank you for your business.

Michael J. Smith

IMAG 232 46 919

**Entergy Accounts Payable  
 Request for Electronic Funds Transfer Form**

Last Updated 2/4/04

For Use When the Requester Will be Required to Supply an Account Number (no derivation)

**Electronic Funds Transfer Information**

Pay To **TXU PORTFOLIO MANAGEMENT COMPANY LP** Date of Transfer **17-Mar-05**  
 Attention **TRGTIM** Amount **\$1,403,601.70**  
 Vendor Bank Name **CHASE BANK OF TEXAS - DALLAS** Purpose **RENEWABLE ENERGY CREDI 03/05**  
 Vendor ABA # **1130-0060-9** Contract No.   
 Vendor Account # **08806318059** P.O. Number   
 City and State **DALLAS, TX** Invoice No. **REC031405 ENTERGY**  
 Invoice Date **09-Mar-05**

Other Information **EGSI INV#: REC031405 ENTERGY**

**Electronic Transfer Type (Check Only One)**

☐ ACH ☒ WIRE ☐ DEBIT MEMO

**Accounting Code Block**

BU	DEPT	RES	ACTIVITY	PHYS LOC	ACCOUNT	PROD LINE	AFFILIATE	TAX CODE	PROJECT	AMOUNT
G0000	.	640	TTCS	EPL	557000				TRGTIM	1,403,601.70
								FOR		
								AP		
								USE		
Amount to be Transferred										1,403,601.70

**Requester/Authorizer Information (cannot be the same person)**

Requester	Date	Telephone	Mail Unit
ROBERT R. WHALEY	3/15/2005	281-297-3551	T-PKWB-3D
Authorizer (type or print)	Date	Telephone	Signature of Authorizer
PATRICK J. CICIO	3/15/2005	281-297-3563	

Fax to Accounts Payable at (504)576-7054 or (504)576-7055 or internally at 8-576-7054 or 8-576-7055. If a fax machine is not available, contact Source Systems Payment Assistance at the number below. ACH requests must be received by NOON two business days before the funds are to be transferred. Wire requests must be received by NOON one business day before the funds are to be transferred. After faxing do not mail the original.

Questions? Call Source System Payment Assistance Center at (504)576-7400 or internally at 8-576-7400.

MAR-16-05 WED 07:58 AM  
MAR-03-2005 14:46 FROM:TXU

ENTERGY-ENERGY MGMT/EAR

214 875 9858

FAX NO. 2812973733

Exhibit PRM-12

C Cost Case

Page 10 of 16

TO:281 297 3733

P. 02

P.1-1

TXU Portfolio Management Company LP  
P.O. Box 650756  
Dallas, TX 75265-0756



Invoice

Customer #  
Invoice No. REC 031405 ENTERGY  
Invoice Date: 03/09/05  
Due Date: 03/14/05 2/17/05

Entergy Gulf States, Inc  
Attn: Pam Masluk  
10055 Grogan's Mill Road, Ste. 300  
Woodlands, Texas 77380  
Tel: 281-297-3523  
Fax: 281-297-3528 or 3733

Trade Date	Trade ID	Deal #	Activity Month	Activity Description	Activity Quantity	Price per REC	Total Amount
3/8/05	DIAB22	REC00323	Mar-05	REC Sale	100,000	\$ 13.10	\$ 1,310,000.00
3/8/05	DIAB28	REC00324	Mar-05	REC Sale	7,118	\$ 13.15	\$ 93,601.70

Total Sales \$ 1,403,601.70 pm

TXU Portfolio Management Company LP  
Chase Bank of Texas - Dallas  
Acct# 08806318059  
ABA# 1130-0060-9

For questions, please contact:  
Cheryl Barnes  
Phone: 214-875-9487  
Fax: 214-875-9087  
cbarnes1@txu.com



Mar-18-05 10:19A

P.02

Gulf Capital Partners, Inc. ©  
952 Echo Lane, Suite 322  
Houston, TX 77024  
713-984-9525  
Fax 713-984-9232  
mj.smith@gulfcap.com



# INVOICE

3/16/05

Invoice No.: 05.03.16 •

Pam Meaux  
Entergy Gulf States, Inc.  
10055 Grogans Mill Rd.  
Suite 300  
The Woodlands, TX 77380  
Contact name: Pam Meaux  
Contact phone number: 281-297-3649  
Contact fax: 281-297-3949

A handwritten signature in dark ink, appearing to be "Pam", located to the right of the contact information for Pam Meaux.

Re: Invoice for Purchase of 16,593 MWhrs of 2004 Texas RECs  
Seller: Gulf Capital Partners, Inc.  
Buyer: Entergy Gulf States, Inc.

Purchase Price: \$215,709.00 (Calculated by 16,593 MWhrs X \$13.00)  
Please wire transfer the amount of: \$215,709.00 per the REC Transaction Agreement  
No. 2 dated March 16, 2005:

## Bank Information:

- JPMorgan Trust Company, National Association  
Institutional Trust Services  
2001 Bryan Street, 10<sup>th</sup> Floor  
Dallas, TX 75201  
For: GulfCap REC Escrow Account
- Acct # 507198883 for further credit to 10209840.1
- ABA #021000021

Contact Person: Michael J. Smith  
952 Echo Lane, Suite 322  
Houston, TX 77024  
Ph: 713-984-9525  
Fax: 713-984-9232

Tax ID # 76-0487526

We thank you for your business.

Michael J. Smith





ELEMENT MARKETS, INC.  
1403 Hyde Park, Building C  
Houston, TX 77006  
713-523-4471  
Fax 713-523-4475  
randvlack@hotmail.com

Invoice/Confirmation

*Invoice #*

3/08/05

05.03.08.001

Pamela Meaux  
Entergy Gulf States  
1005 Grogans Mill Rd 30  
The Woodlands, TX 77380

Re: Invoice for Purchase of 33,186 MWhrs of Texas RECs  
Seller: Gulf Capital Partners  
Seller Contact: Michael J. Smith, Partner  
952 Echo Lane, Suite 322  
Houston, TX 77024-2758  
Phone: 713-984-9525  
Buyer: Entergy Gulf States

Purchase Price: \$431,418.00 (Calculated by 33,186 X \$13.00)  
Consulting Fees to Entergy Gulf States: \$4977.90 (.15 X 33,186)  
Please remit the amount of \$4977.90 to Element Markets, Inc., within 20 days of invoice date to:

Bank Information:

- Bank of America, Houston, TX
- For: Element Markets, Inc.
- Acct # 005741892145
- ABA #111000025

Contact Person: Randall N. Lack  
1403 Hyde Park, Bldg C  
Houston, TX 77006  
Ph: 713-523-4471  
Fax: 713-523-4475

*OKAY TO PAY  
KGA*

Tax ID # 74-2886956

*Rec'd 3/10/05  
RBU*

\$10,000.00  
Last Updated 2/4/04**Entergy Accounts Payable  
Request for Electronic Funds Transfer Form**

For Use When the Requester Will be Required to Supply an Account Number (no derivation)

**Electronic Funds Transfer Information**

Pay To	AMEREX EMISSIONS, LTD	Date of Transfer	01-Apr-05
Attention		Amount	10,000.00
Vendor Bank Name	WELLS FARGO	Purpose	RENEWABLE ENERGY CREDI 03/05
Vendor ABA #	121000248	Contract No.	
Vendor Account #	9371776189	P.O. Number	
City and State	HOUSTON, TX	Invoice No.	1000000032805
		Invoice Date	28-Mar-05

**Other Information****Electronic Transfer Type (Check Only One)**☐ ACH☒ WIRE☐ DEBIT MEMO**Accounting Code Block**

G0000		640	TTCS	EPL

PCLs

Exh. 13

Chronological  
Order  
Needed!

10,000.00

10,000.00

**Requester/Authorizer Information (cannot be the same person)**

Requester	Date	Telephone	Mail Unit
SHERRY L. STEPHENS <i>JS</i>	3/28/2005	281-297-3566	T-PKWD-3D
Authorizer (type or print)	Title	Date	Telephone
PATRICK J. CICIO	MANAGER	3/28/2005	281-297-3563

Fax to Accounts Payable at (504)576-7054 or (504)576-7055 or internally at 8-576-7054 or 8-576-7055. If a fax machine is not available, contact Source Systems Payment Assistance at the number below. ACH requests must be received by NOON two business days before the funds are to be transferred. Wire requests must be received by NOON one business day before the funds are to be transferred. After faxing do not mail the original.

Questions? Call Source System Payment Assistance Center at (504)576-7400 or internally at 8-576-7400.



# Amerex Emissions, LTD

Amerex Emissions, LTD.  
P.O. Box 41365  
Houston, TX 77241-  
FAX: 281 634 8888  
Tax ID # 68-0566087

Entergy Gulf States  
10055 Grogans Mill Rd.  
Suite 300  
Spring, TX 77380  
ATTN: Pam Meaux

<u>Date</u>	<u>Deal Numl Buy Sell</u>	<u>Counter P. Trader</u>	<u>Price</u>	<u>Total Volu UOM</u>	<u>Rate</u>	<u>Commission Due</u>
3/8/2005	FX-880547 B	TXU	13.1000	100,000 TON		\$10,000.00

**TOTAL AMOUNT DUE UPON RECEIPT \$10,000.00 US**

Payment can be made by wire transfer or ACH to Wells Fargo Houston, TX,  
Wire ABA# 121000248 or ACH ABA# 111900659 account # 9371776189

Sum of Total	PROJ CD	PROJ NM	FISCL YR NO						Grand Total
Class			2000	2001	2002	2003	2004	2005	
Default Service Provider	RRMTX	MARKET MECH SYS DEFAULT SERV PROVID	483,188	9,273,397	3,932,131	(109,173)	(491,233)	522,556	13,620,868
Default Service Provider Total	RRMTX		483,188	9,273,397	3,932,131	(109,173)	(491,233)	522,556	13,620,868
Grand Total			483,188	9,273,397	3,932,131	(109,173)	(491,233)	522,556	13,620,868

2005 TTC RIDER PRM-13

This page has been intentionally left blank.

Sum of Total Class	PROJ CD	PROJ NM	FISCL YR NO		Grand Total
			2004	2005	
Rates/Riders Preparation	GST000	2004 TEXAS RATE CASE SUPPORT	133,081		133,081
	GST000 Total		133,081		133,081
	GST001	EGSI Texas 2004 Base Rate Case	5,914,826	249,507	6,164,332
	GST001 Total		5,914,826	249,507	6,164,332
Rates/Riders Preparation Total			6,047,907	249,507	6,297,413
Grand Total			6,047,907	249,507	6,297,413

This page has been intentionally left blank.

DOCKET NO. \_\_\_\_\_

APPLICATION OF ENTERGY	§	PUBLIC UTILITY COMMISSION
GULF STATES, INC. FOR	§	
RECOVERY OF TRANSITION TO	§	
COMPETITION COSTS	§	OF TEXAS

DIRECT TESTIMONY

OF

THOMAS R. MANASCO

ON BEHALF OF

ENTERGY GULF STATES, INC.

AUGUST 2005

### SUMMARY OF DIRECT TESTIMONY OF THOMAS R. MANASCO

Thomas R. Manasco is the Manager of Capital Planning for the Utility Operations group of Entergy Services, Inc., which acts on behalf of the Entergy Operating Companies. From June 1, 1999 through June 17, 2005, Entergy Gulf States, Inc. and its affiliated service company, Entergy Services, Inc., expended funds to implement retail open access in Entergy Gulf States, Inc.'s Texas service territory. Mr. Manasco sponsors \$58,415,316.15 million of these expenditures, which cover activities such as equipping Entergy Gulf States (in its restructured form as an electric distribution delivery company) to communicate and interact with the Electric Reliability Council of Texas, the Competitive Retailers, and the wholesale settlement organization. These costs are contained within the following three classes of TTC costs: Texas Standard Electronic Transactions and Load Profiling and Data Aggregation; Pilot Project; and Pilot Operations. Mr. Manasco explains why these costs, and the projects through which they were incurred, are reasonable and necessary transition costs.

DOCKET NO. \_\_\_\_\_

APPLICATION OF  
ENTERGY GULF STATES, INC.  
FOR RECOVERY OF  
TRANSITION TO COMPETITION COSTS

DIRECT TESTIMONY OF THOMAS R. MANASCO

TABLE OF CONTENTS

	<u>Page</u>
I. Introduction and Qualifications	1
II. Purpose and Organization of Testimony	5
III. Transition Cost Time Period and Relationship Between ERCOT and ESAT	14
IV. Overview of Market Mechanics and Pilot Functions Costs	20
V. Discussion of Costs by Class	28
A. The Texas SET and Load Profiling and Data Aggregation Class	29
1. The Texas SET Group	31
2. The Load Profiling and Data Aggregation Group	47
3. The Reasonableness of the Texas SET and Load Profiling and Data Aggregation Class of Costs	52
4. Affiliate Costs in the Texas SET and Load Profiling and Data Aggregation Class	74
B. The Pilot Project Class	76
C. The Pilot Operations Class	82
VI. Conclusion	92



Table of Contents – Thomas R. Manasco (continued)

EXHIBITS

Exhibit TRM-A	Classes of Costs by Group Descriptions and Affiliate/Non-Affiliate Components
Exhibit TRM-B	Classes of Costs by Project Code and Billing Method
Exhibit TRM-C	Classes of Costs by Year
Exhibit TRM-D	Classes of Costs Segregated Between Capital and Expense
Exhibit TRM-1	CCS/Market Mechanics Functions
Exhibit TRM-2	Market Mechanics Overview
Exhibit TRM-3	Pro Forma Adjustments
Exhibit TRM-4	Typical TTC Report
Exhibit TRM-5	Typical Market Mechanics Steering Committee Report
Exhibit TRM-6	Project Organizational Structure
Exhibit TRM-7	Texas SET Transactions
Exhibit TRM-8	Diagram of System Relationships
Exhibit TRM-9	SET Implementation Timeline
Exhibit TRM-10	Timeline of SET Version Changes in 2001
Exhibit TRM-11	Market Certifications (SET 1.4; 1.5; 1.6; 2.0)
Exhibit TRM-12	Description of Load Profiles
Exhibit TRM-13	Process for Selection of SAIC
Exhibit TRM-14	RFP-EHP00232 - Market Mechanics - April 14, 2000RFP
Exhibit TRM-15	Selection of Market Mechanics Vendor (Confidential)
Exhibit TRM-16	Mid-2001 Proposal Evaluation (Confidential)

Table of Contents – Thomas R. Manasco (continued)

Exhibit TRM-17	Market Team Transition
Exhibit TRM-18	RFP-00000051 - Texas Retail Open Access Systems Upgrade - February 14, 2003
Exhibit TRM-19	RRP-TROA #2 - Texas Retail Open Access Systems Upgrade - December 22, 2003
Exhibit TRM-20	Vendor Selection Process for SET 2.0 (Confidential)
Exhibit TRM-21	ERCOT IT Budget
Exhibit TRM-22	ERCOT and EGSI LSE Agreement
Exhibit TRM-23	ERCOT LSE Fees (2001-2004)
Exhibit TRM-24	VeriTRAN Clearinghouse Fees
Exhibit TRM-25	VeriTRAN Clearinghouse Contract Agreement (Confidential)
Exhibit TRM-26	Systems Ramp Down
Exhibit TRM-27	Ramp Down Report to Steering Committee
Exhibit TRM-28	Options for Limited Pilot
Workpapers	

1 I. INTRODUCTION AND QUALIFICATIONS

2 Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS  
3 ADDRESS.

4 A. My name is Thomas R. Manasco. I am employed by Entergy Services,  
5 Inc. ("ESI") as Manager, Capital Planning. My business address is 639  
6 Loyola Avenue, New Orleans, Louisiana 70113.

7  
8 Q. FOR WHOM ARE YOU TESTIFYING IN THIS DOCKET?

9 A. I am testifying on behalf of Entergy Gulf States, Inc. ("EGSI" or the  
10 "Company").

11  
12 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
13 PROFESSIONAL EXPERIENCE.

14 A. I earned a Bachelor of Science Degree in Engineering from the University  
15 of Alabama-Birmingham, where I graduated in 1973. I began my utility  
16 industry career in 1973 when I joined Mississippi Power & Light Co.  
17 ("MP&L"), as a distribution engineer. I have been with the Entergy System  
18 since that time.<sup>1</sup>

19 My responsibilities increased over the years as I was promoted  
20 within the Entergy System. In 1979, I became the service supervisor for

---

<sup>1</sup> When I use the terms "Entergy" or the "Entergy System," I am referring to generically to Entergy Corporation and all of its affiliates and subsidiaries, including ESI and the five Entergy Operating Companies (which includes EGSI).

1       the MP&L Jackson area, responsible for the day-to-day service operations  
2       that included the installation of new services and trouble response. In  
3       1982, I was promoted to the position of district engineer, in which I had  
4       responsibility for the engineering, line construction, and operations for the  
5       distribution system in what was then the Clinton District of MP&L. In 1984,  
6       I was promoted to the position of district manager, with responsibility for  
7       overall management of the distribution and customer service operations  
8       for MP&L's Grenada District. My responsibilities included managing the  
9       business office, meter reading, engineering, construction, service, and  
10      community relations. In 1990, as MP&L changed its organization, I  
11      became an area line manager, with management responsibility for  
12      distribution construction, service, and operations for MP&L's customers in  
13      north Mississippi.

14             In 1993, I joined ESI as the manager of vegetation management for  
15      the Entergy system, with responsibility for the development and  
16      coordination of system-wide right-of-way clearing and tree-trimming  
17      policies and standards. In 1994, I became Division Manager with  
18      responsibility for customer service, business office, and community  
19      relations for the West Central Division customers in South Arkansas and  
20      North Louisiana. In 1996, I joined Entergy's Retail organization and  
21      served as Director of Sales & Service for the industrial, and later  
22      commercial and industrial, customers in the New Orleans area.

1           In 1999, I joined the group within ESI that was responsible for  
2           market mechanics. This group's responsibilities include the development  
3           of new policies, processes, and system requirements necessary for the  
4           interaction of EGSI's anticipated future unbundled distribution company  
5           (Entergy Texas Distribution, or "ETD") with the other entities that would  
6           participate in the retail open access ("ROA") market mandated by Texas  
7           Senate Bill 7. From July 2000 until June 2003, as Director of Transition, I  
8           had overall responsibility for the implementation and management of the  
9           market mechanics functions for EGSI's participation in its extended pilot,  
10          and preparation to support ROA in its Texas service area. This included  
11          management and oversight of the work being done to equip ETD with the  
12          new capabilities required by ROA. I also represented ETD in the  
13          development of the Entergy Settlement Area in Texas ("ESAT") Protocols  
14          that were developed through the collaborative process carried out in 2002-  
15          03. My current position is Manager of Capital Planning with ESI.

16  
17       Q.     WHAT ARE YOUR JOB RESPONSIBILITIES?

18       A.     In my current position as Manager of Capital Planning, I support the Chief  
19           Financial Officer of Utility Operations in planning, prioritizing, and  
20           managing capital expenditures for Entergy's regulated companies.

21           As explained above, my responsibilities as Director of Transition  
22           were to ensure that the anticipated unbundled ETD was equipped with the  
23           necessary capabilities and systems (that is, the "market mechanics") to

1 support ROA in ESAT. I also had responsibilities related to preparing for,  
2 implementing, and maintaining pilot readiness during the initial pilot period  
3 of June 2001 through December 2001, and the extended pilot period that  
4 commenced on January 1, 2002, and extended until it was terminated by  
5 the Commission in on order issued in July 2004.

6  
7 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITY  
8 COMMISSION OF TEXAS OR OTHER REGULATORY AGENCIES?

9 A. Yes. I have filed testimony in three Public Utility Commission of Texas  
10 ("Commission" or "PUCT") dockets: Docket No. 22356, *Application of*  
11 *Entergy Gulf States for Approval of Unbundled Cost of Service Rates*  
12 *Pursuant to PURA §39.201 and Public Utility Commission Substantive*  
13 *Rule §25.344* (in which I adopted the direct testimony of Company witness  
14 James Striedel as of August 29, 2000); Docket No. 24469, *Staff's Petition*  
15 *to Determine Readiness for Retail Competition in the Portions of Texas*  
16 *Within the Southeastern Reliability Council* (direct testimony filed on  
17 September 24, 2001); and Docket No. 25089, *Project to Develop Market*  
18 *Protocols for the Portions of Texas Within the Southeastern Electric*  
19 *Reliability Council* (direct testimony filed on April 11, 2003). I also filed  
20 testimony in EGSI's base rate case filed in August 2004 in Docket No.  
21 30123, but that docket was dismissed before my testimony was entered  
22 into the record. I have not testified or filed testimony before any other  
23 regulatory agencies.

1           II.     PURPOSE AND ORGANIZATION OF TESTIMONY

2     Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?

3     A.     I sponsor EGSi's distribution-related Transition to Competition ("TTC")  
4           costs at issue in this docket incurred from June 1, 1999 through June 17,  
5           2005. These costs amount to \$58,415,316.15 million and are organized  
6           within the following three classes of TTC costs, which include both affiliate  
7           and non-affiliate costs: Texas Standard Electronic Transactions and Load  
8           Profiling and Data Aggregation; Pilot Project; and Pilot Operations.  
9           Specifically, I address and support activities such as equipping EGSi (in  
10          its restructured form as an electric distribution delivery company) to  
11          communicate and interact with the Electric Reliability Council of Texas, the  
12          Competitive Retailers, and the wholesale settlement organization. These  
13          costs are associated with anticipated ETD operations in preparation for  
14          ROA and what I refer to as the distribution "market mechanics" costs and  
15          the costs associated with: modifying and testing of the existing legacy  
16          systems; the Customer Choice Pilot Project ("pilot") and on-going pilot  
17          operation costs incurred on behalf of EGSi.

18

19    Q.     HOW ARE THE ACTIVITIES AND DOLLARS THAT YOU SUPPORT  
20           DIFFERENT FROM THE ACTIVITIES AND DOLLARS THAT EGSi  
21           WITNESSES WILLIAM T. CRADDOCK AND ANDREW E. QUICK  
22           SUPPORT?

1     A.     Company witnesses Craddock and Quick, sponsor, in part, different costs  
2           associated with the Customer Care & Service System ("CCS"), which was  
3           replacing the Customer Information System ("CIS"), to be used to facilitate  
4           electronic interactions with the ROA market in ESAT and with the Texas  
5           state-wide registration agent, which is Electric Reliability Council of Texas  
6           ("ERCOT"). Mr. Craddock sponsors CCS costs that would allow the CCS  
7           to interface with and communicate internally with the unique EGS  
8           *distribution* functionality necessary for ROA. I sponsor costs that would  
9           allow this distribution functionality to communicate externally to the  
10          market. Likewise, Mr. Quick sponsors costs that were incurred to allow  
11          the *retail* functionality to communicate with the external market. The  
12          analogy is that Mr. Craddock's CCS "piece" communicates with  
13          distribution systems internally within Entergy—he hands the ball to me. I  
14          then process the information as necessary for my market mechanics  
15          responsibilities, and then pass that ball out to the market (and receive the  
16          "ball" back from the market). A diagram that depicts the relationship  
17          between the different CCS pieces and functionality relevant to this case is  
18          attached as my Exhibit TRM-1 and shown in more detail in my Exhibit  
19          TRM-4.

20  
21     Q.     WHAT DO YOU MEAN BY THE TERM "MARKET MECHANICS"?

22     A.     I use the term "market mechanics" in my testimony to mean:



- 1           (1)   those new distribution-related functions that are necessary to  
2                   support operations under ROA in Texas,  
3           (2)   the costs related to the retail market transactions—referred to as  
4                   “Texas Standard Electronic Transfer” or “Texas SET” activities, and  
5           (3)   the costs related to load profiling and data aggregation activities.

6           In addition to these new functions, EGSI’s implementation of  
7           market mechanics included making modifications to existing information  
8           technology (“IT”) systems as required to interface with these new systems  
9           to support ROA. An explanation of market mechanics is attached in  
10          Exhibit TRM-2-“Market Mechanics Overview.”

11          In addition to developing market mechanics to support ROA, EGSI  
12          also prepared for and participated in the pilot and extended pilot projects  
13          established to determine readiness for ROA in ESAT. In my testimony,  
14          the term “market mechanics” does not include the pilot-related activities  
15          that I also address.

16

17   Q.   WHAT ARE SOME EXAMPLES OF “DISTRIBUTION-RELATED  
18           FUNCTIONS” NECESSARY TO SUPPORT ROA”?

19   A.   These functions include:

- 20          (1)   Registration and Switching Process:  
21                   the ability to facilitate and support end-use customer switching  
22                   among Retail Electric Providers (“REPs”) through the ERCOT  
23                   registration process, which further requires the ability to assign and

1 track service delivery points by an Electric Service Identifier<sup>2</sup> (ESI-  
2 ID). Each Transmission and Distribution Service Provider ("TDSP")  
3 had to assign a unique ESI-ID to each delivery point in its  
4 distribution system<sup>3</sup> (that is, the point on a distribution system at  
5 which a customer receives electric service). The ESI-ID is the key  
6 identifier that associates and maintains the relationship between  
7 the customer, the REP providing electricity to that customer, and  
8 the TDSP delivering the electricity to that customer.

9 (2) Data Transport and Transaction Management:  
10 the ability to electronically communicate with other market  
11 participants and ERCOT and the ability to manage and track those  
12 communications, which are known as "Texas SET" transactions.

13 (3) Load Profiling:  
14 for all ESI-IDs for which IDRs (Interval Data Recorder meters) are  
15 not installed, the ability to develop load profiles and assign ESI-IDs  
16 to those profiles.

---

<sup>2</sup> ERCOT Protocols Section 15.4: Electric Service Identifier (ESI ID): Each TDSP Service Delivery Point (SDP) shall have a unique number within Texas. Once this unique number has been created and assigned to a SDP, it shall not be re-issued, even in the event of termination of the associated point-of-service. This unique number shall be referred to as the Electric Service Identifier (ESI ID).

<sup>3</sup> Certain exceptions to this are allowed in the ERCOT Protocols Section 15 such as the ability to assign all municipal street lights to one ESI-ID.