Page 2

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

Docket No. 27273

#### Order on Rehearing

Page 3

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.

**EGSI TTC Cost Case** 

**Docket No. 27273** 

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#### 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 25/1 day of / why 2003

PUBLIC UTILITY COMMISSION OF TEXAS

REBECCA KLEIN, CHAIRMAN

BRETT A. PERLMAN, COMMISSIONER

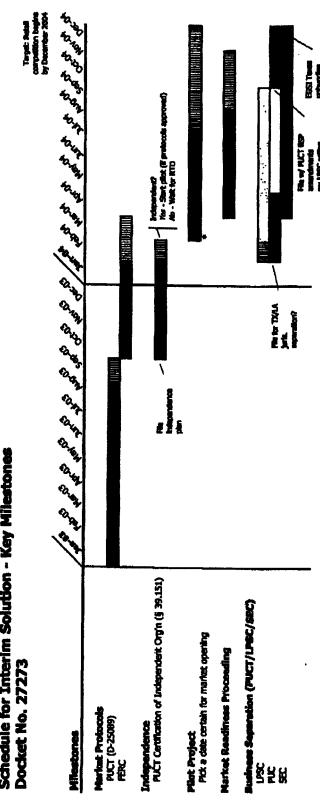
Page 6

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.

PARSLEY, COMMISSIONER

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Schedule for Interim Solution - Key Milestones Docket No. 27273





Control Number: 27273



Item Number: 67

Addendum StartPage: 0

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FAX NO. 98665512

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#### Public Utility Commission of Texas

1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78771-3326
512 / 936-7000 • (Rax) 936-7003
Web Site: www.pue.state.tx.us

Pat Wood, III

Judy Walsh

Brett A. Perlman

October 6, 1999

Comptroller's Use T Code \*90100 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 Pinal Order of the Public Utility Commission (10/6/99, copy attached), the System Benefit Assessment is act 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

- 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. 17th St. Austin, TX 78774-0100

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

Printed by respiled paper

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Human Resources Impormation Technology TTY

(812) 806-7120 (512) 836-7060 (512) 886-7060 (512) 826-7168 EXACUTIVE DIRECTOR
FOLICY DEVELOPMEN

612) \$15-7040 412) \$36-7200 NDITESTONS REMOTEUR SHOITAGE NICEM SHUTCH REMOTEUR

(812) 836-7156 (512) 836-7136 (812) 886-7136 (816) 782-8477

P. 03/06

FAX NO. 6124873998

OCI-14-88 LHN IS:10 by EMIERCY



#### Non-Purchase Order Payment Request Form

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

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

Pat Wood, III Chairman

Judy Walsh Commissioner

Brett A. Perlman Commissioner

W. Lane Lanford



# Public Utility Commission of Texas

August 1, 2000

Mr. Barry Howell, Mgr. Project-Reg. Affaus 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: Account number: 11100**0025** 604007**0086** 

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.

Printed on recycled paper

An Equal Opportunity Employer

FAX NO. 5124873998

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

For Use When the Requester Will be Required to Supply an Account Number (no derivation) \$842629.

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Authorizer (t Joe Dorr	lype or print) nilnO	Title President		Date 8/24/00		Telephone 8-633-399	9	Signature of All You Demin	

Fax to Accounts Payable at 601.368.5300 or 601.368.5220, or internally, 8.433.5300 or 8.433.5220. If a fax machine is not available, contact Source Systems Payment Assistance at the number below. ACH requests must be received by MOON two business days before the funds are to be transferred. Wire requests must be received by MOON one business day before the funds are to be transferred. After fixing do not mail the original. Questions? Call Source System Payment Assistance Center at 601.368.5595 or internally, 8.433.5595 and select option 5, the "Electronic Funds Transfer" option.

2005 TTC Cost Case Page 5 of 6

Pat Wood, III Chairman Judy Walsh

Commissioner

Brett A. Perlman

Commissioner

Public Utility Commission of Texas

W. Lane Lanford Executive Director

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: Account number: 111000025 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.ix.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

APR-13-2001 FRI 01:00 PM ENTERGY APR-13-2001 FRI 11:58 AM ENTERGY TX APR-13-2001 FR1 12:45 PM ENTERGY

FAX NO. 5124873998 FAX NO. 4098275438 FAX NO. 5124873998

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

1943 5/47

Enterpy Accounts Payable

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Magnetics		en learne	04 4/13/01		Talephone 8-633-390		TAUST-R		
Mindy Jones							4		1 1

Supporting destinentation must be attached to all Wire/ACH requests.

- Questions? Gall Source System Payment Assistance Canter at 601,368.5866 or internally, 8.433.5585 and select option 5, the "Electronic Funds Transfer" option.

Exhibit PRM-12 Tmage #
2005 TTC Cost Case Page 1 of 16 2/56 7/20

# TRGTIN \$ 1907.5

	Enterg	у Ассоил	ts Payabk
towart for Electronic	Funds	Transfer	Enm

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For Use Wherinte	Requester Will be Required to Supply an Account 9	tumber (no derivation)		4
Electronic Eunde Tra	miller Information		in the second se	
Ржу То	CHOICE ENERGY	Date of Transfer	18-Jun-03	
Attention		Amount	1,907.28	
Vendor Bank Name	NORTHERN TRUST BANK OF TEXAS	Purpose	REC VINTAGE 2002 05/	03
Vendor ABA #	1110-1606-4	Contract No.		
Vendor Account #	09600 00175	P.O. Number		******
City and State	HOUSTON, TX	Invoice No.	80025 B	
Other Information		Invoice Date	29-May-03	
New Vendors Only:				
Vendor's Fed. Tex ID		Vendor's Physical	5718 WESTHEIMER, STE. 1300, HOUSTON, TX 77057	
Vendor's Phone #	(713) 613-0500	Street Address		
Electronic Transfer T	(pie (Check Grily Gre)			
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frequester/Authorizer, auformation (c	annot be the	same person):			
Lyadnesse.		Dete	Telephone	Mei Unit	
SHERRY FREENEY SC	arx	6/16/2003	281-297-3566	T-PKWD-3D	
Authorizer (type or print)	Title	Date	Telephone	Signature of Authorizer	
CHARLES W. FREEMAN	Manager	6/16/2003	281-297-3554	RW Greenan	

Pax to Accounts Payable at 461.368.5300 or 601.368.8220, or internally, 8.433.5300 or 8.433.6220. If a fax machine is not available, contact Source Systems Payment Assistance at the number below. ACH requests must be received by NCION two business days before the funds are to be transferred. Wire requests must be received by NCION 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)575-7400 or internally at 8-576-7400.

Exhibit PRM-12 2005 TTC Cost Case Hep 30 4003 14: Page 2 of 16 01

096731



5718 Weatherner, Suite-1300 Houston, Texas 77057 713 813-0500 Fax 713 813-0599 www.chaiceenergy.com

Cate	Invaice #
5/29/2003	80025 B

Bill To

Entergy Guif States 10055 Grogane Mill RD, Ste 300 Woodlands, TX 77380 FAX 291-297-3829

#### **BROKER CONFIRMATION**

Description		Amount
TRANSACTION CONFIRMATION EMISSIONS SALE		
We hearby confirm, acting as an agent per your instructions; we have a the following transaction on your behalf	rranged	
Trade Date: May 29, 2003	1	
Transaction Type; Renewable Energy Credit (REC) Vintage 2002		
SELLER: TXU Portfolio Management Company LP Contact: Colin Moore	Ì	
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)	-	•
/olume: 15,894 credits Fransaction 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		
de la companya de la	Total	\$1,907.28 مريز

Disclaimer: CHOICE Energy, LP acted aciety as the broker for the inneaction. The Counteparties insertables determined the terms and conditions of the transaction. CHOICE! Energy, LP bears no majorability for the ebility 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 stateuit by either counterparty, CHOICE! Energy, LP bears no fiability whatsoever to either counterpart.

Exhibit PRM-12
2005 TTC Cost Case
//// Case 3 of 16/5 6/7 // 6

TRGTIM \$190,728.9 Effective 1/1/98 (1)

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

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Attentic	en .						Amount			190,7	28.00
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	er RRY FREENE	787	عدزد		8/2003	Telephone 281-297		Mail Unit	ND-3D		
	er (type or print) RLES W. FRE		Title Manager	Date 6/1	8/2003	Telephone 281-297		Signature	of Author	) p p a	man

Fax to Accounts Psyable at 601,366,6300 or 601.366,6226, or internally, 6.433,6200 or 6.433,6220. If a fax machine is not available, confact Source Systems Psyment 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)578-7400 or Internally at 8-578-7400.

369

TXU Portoko Managemers Company LP P.O. Box 139090 Delias,TX 75313



invoice

Customer #

Invoice No. REC 03 Invoice Date: 06/13/03 Dué Date: 06/18/03

Entergy Gulf States, Inc Ann. Pem Meaux 10055 Grogams Mill Road, Ste 300 Woodjands, Texas 77390 Tel: 281-297-3529 Fax: 281-287-3733

		<del></del>			Activity	Price		٦
Trade Date	Trede ID	Deal W	Activity Month	Activity Description	Viting	per REC	TOTAL APROVI	_
5/29/03		REC00162	May-03	REC Saje	15,894	1200	\$ 190,728.00	)

**Total Sales** 

190,728.00

TXU Portiolio Management Company LP Chase Sank of Texas - Dajlas -Acctir 08806518059 , ABA# 1130-0080-9 , For questions, please contact, Sandra Boyer Phone: 214-875-9013 Fax: 214-875-9087 sboyer2@tau.com

Exhibit PRM-12 2005 TTC Cost Case INPAGES of 16 224 13 4/3

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Pay To	TXU PORTI	FOLIO MAN	AGEME	ENT COMPANY L	P Date of Transfer	09-Ju	n-04	
Attention					Amount	277,03	33.75	
endor Bank Name	CHASE BA	NK OF TE	XAS -	DALLAS	Purpose	REC SALE 06/04		
endor ABA #	1130-0060	-9			Contract No.			
inder Account #	088063180	59	·——.	·	P.O. Number			
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281-297-3566

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T-PKWD-3B-Signature of Authorize

Fax to Accounts Payable at (504)576-7054 or (504)576-7055 or internally at 8-576-7054 or 8-576-7055. It 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.

6/8/2004

6/8/2004

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

MANAGER

Requester Date

SHERRY FREENEY
Authorizer (type or print)

PATRICK J. CICIO

277,033,75

JUN-04-2004 13:48 FROM: TXU

214 875 9067

Exhibit PRM-12 2005 TTC Cost Case T0:281 297 Page 6 of 16

TXU Perifciic Managoment Corapany LP P.O., Sex 650755 Dalba, TX 75286-0755



Involce

Customer # Invoice No. Invoice Date: Due Date:

REC 060404 Enlargy 06/04/04 06/05/04

Entergy Gulf States, Inc. Aftr: Pam Makur 10056 Grogan's Mil Road, Ste. 200 Woodlands, Yazae 77880 Tet: 251-257-5520 Fac: 261-257-5733

					Activity	Price	
Trade Date			Activity Month	Activity Descripti		per REC	Total Amount
6/3/64	DANO27	REC00240	JUN-04	REC Bala	22,615	\$ 12.25	\$ 277,083.75

Total Sales

277,033.75

TXU Porticilo Management Company LP Chase Bank of Texas - Ostias Acetir 06806316059 ABA# 1130-0080-9 For questions, please contact Elise Libbers Phone: 214-876-9283 Fax: 214-876-9067 ELISSERI & TXLCOM

372

FAX NO. 504520049000 C Cost Case

P. 01 Page 7 of 16

P. 02/03

Entergy Accounts Payable

FAX NO. 2812973735

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where the funds are to be transferred. After finding do not mail the original, Ourstione? Call Source System Payment Assistance Center at (504)578-7400 or Internally at 8-575-7400.

MAR-17-2005 THU 11:47 AM ESI CASH OPERATIONS

MAR-17-05 THU 09:12 AM ENTERGY-ENERGY NGMT/EAR

Mar-15-05 04:13P

FAX NO. 5045784960TTC Cost Case Page 8 of 16

FAX NO. 2812973735

P. 03/03

P. 02

P.02

Gulf Capital Partners, Inc. 952 Echo Lane, Suica 322 Houston, TX 77024 713-984-9525 Fex 713-984-9222 mjcmith@gulfcap.com



#### INVOICE

3/15/05

Invoice No.: 05.03.15

Pom Meaux
Entergy Gulf States, Inc.
10055 (Irogans Mill Rd.
Suito 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 Sellor: Gulf Capital Partners, Inc. Buyer: Entergy Gulf States, Inc.

00

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:

- IPMorgan Trust Company, National Association Institutional Trust Services 2001 Bryan Street, 10th Floor Dallas, TX 75201
  For: GulfCap REC Escrow Account
- \* Acct # 507198883 for further credit to 10209840.1
- 4 ABA #021000021

Contact Person: Michael J. Smith 954 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

Exhibit PRM-12
FAX NO. 28129700735TC Cost Case
Page 9 of 16

Page 9 of 16 MACE 232 46 919

# Entergy Accounts Payable Request for Electronic Funds Transfer Form

Last Updated 2/4/04

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Pay To	-	TXU PORTE	OLIO MANA	GEME	NT COMPANY	/ LÞ	Date of Tra	ńsfer _	17-N	Aar-05 J	TRG 13 1,403,60
Attention							Amount		1,403	,601.70	
fendor Ban	nk Name	CHASE BA	NK OF TEX	AS-I	DALLAS		Purpose	_	RENEWABLE E	NERGY (	REDI 03/05
endor ABA	A#	- 1130-0060-	9		<del>-</del>	,	Contract No	). _			
endor Acc	count#	088063180	59				P.Q. Numb	or _			
ity <b>and</b> Sta	tato	DALLAS, T.	X				Invoice No.	-	REC03140	05 ENTER	RGY
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eques (er//	DEPT	Accounting C RES 640	activity TTCS	PHYS LOC EPL EPL Doile	ACCOUNT 557000	PROD	AFFILIATE  Am. 3551	TAX CODE FOR AP USE	PROJECT TRGTIM  Transferred	AMC 1	,403,601.7

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 Paymont Assistance at the number below. ACH requests must be received by NOON two business days before the funds are to be transferred. Whe 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.

214 875 9858

FAX NO. 2812978785 C Cost Case Page 10 of 16

P. 02

P.1/1

TXU Portfolio Management Company LP P.O. Box 650755 Daljas TX 75285-0756



Invoice

Customer # Invoice Na. Invoice Date: Due Oste:

AEC 031405 ENTERGY . 00/09/05 09/14/07 8/17/05

Entergy Gulf States, Inc Altr: Pam Masux 10055 Grogen's Mill Road, Stc. 300 Woodlands, Texas 77380 Yel 201-207-5529 Fax: 261-297-3329 or 3733

					Activity	-	rice	_	
Trede Date	Trade 10	Dog &	Activity Month	Activity Description	Quentity	p	N REG		Total Amount
3/8/05	DIA822	REC00323	Mar-05	REO Sale	100,000	2	13,10	4	1,310,000.00
3/8/05	DIAB28	REC00324	Mar-05	REC Sale	7,118	\$	13.15	\$	<b>63,501.70</b>

Total Sales

\$ 1,403,501.70

TXU Portfolio Menagement Company LP

Chase Bank of Texas - Dallas

- . Acct# 08806318059
- . ABA# 1130-0050-9

For questions, please contact: Cheryl Barnes Phone: 214-875-9467
Fax: 214-875-9067
cbarnas1@lxu.com

#### FAMSR: At 03/21/05 10:37:20 AM Page 1

Exhibit PRM 12 2005/TAC Gost Case Page 11 of 28 \$ Z. 60841 TRGTIM \$215,709.

# Entergy Accounts Payable Request for Electronic Funds Transfer Form

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Attenti	on	F/F/C	R TO	10209840.	1		_		Amouni	t		2	15,709.00	)
Vendo	r Bank Name	• JPM	DRGA	N CHASE			no.		Purpos	•	R	ENEWABL	E ENERG	Y CREDI 03/05
Vendo	ABA#	• 0210	00021						Contrac	ct No.			<u> </u>	
Vendor	Account #	5071	98883	<del> </del>			_		P.O. Ni	umber				
City an	d State	HOU	STON	, TX			_		Invoice	No.			05.03.16	
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	RICK J. CIC	•	_	MANAGER	3/21/	/2005	ľ	inone 31-297-	3563	A Philipping	Y	36	24	

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Questions? Cell Source System Payment Assistance Center at (504)576-7400 or Internally at 8-578-7400.

#### FAXSR: At 03/21/05 10:37:22 AM Page

Mar-18-05 10:19A

Exhibit PRM-12 2005 TTC Cost Case Page 12 of 16

P.02

Gulf Capital Partners, Inc. # 952 Echo Lane, Sulta 322 Fax 713-984-9232 mjamith@guifcap.com



#### INVOICE

3/16/05

Invoice No.: 05.03.16

Parn 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

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 15, 2005:

#### Bank Information:

 JPMorgan Trust Company, National Association Institutional Trust Services 2001 Bryan Street, 10th 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

EGSI TTC Cost Case

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#### FAXSR: At 03/21/05 09:55:02 AM Page 1

Exhibit PRM 12 2005 TTC COSPE as 3340136 Page 130 f 16 m 184977.

# Entergy Accounts Payable Request for Electronic Funds Transfer Form

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	ERT R. WH.		Title	3/21 Date	/2005	28° Teleph	-297-3 one	3551	T-PK Signature	WD-3D of Authorizer		
	RICK J. CIC	0	MANAGER	3/21	/2005	28	1-297-3	3563	$L\chi$			

Fax to Accounts Payable at (504)578-7054 or (504)578-7055 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 6-576-7400.



 ELEMENT MARKETS, 2NC, 1403 Hyde Park, Building C Nouston, TX 77006 713-523-4475
 Fax 713-523-4475
 randylack@hotmail.com

#### Invoice/Confirmation

INVOICE # 05.03.08.001 .

3/08/05

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

Lax: 113-273-4413

OKAY TO PAY

Tax ID # 74-2886956

Lec'd 3/10/05

Exhibit PBM-12-yr + 2329693 2005 TTC Cost Case Page 15 of TRGTIM

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

Last Updated 2/4/04

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Fax to Accounts Payable at (504)578-7054 or (504)578-7055 or Internally at 8-578-7054 or 8-578-7056. 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 fixing do not mail the original.

Questions? Call Source System Payment Assistance Center at (604)575-7400 or internally at 8-576-7400.

# Amerex Emissions, LTD

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

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

Price <u>Total Volu UOM</u> 13.1000 100,000 TON Counter P. Trader
TXU PM

Date Deal Numi Buy Sell 3/8/2005 FX-880547 B

Commission Due \$10,000.00 Rate

\$10,000.00 US

TOTAL AMOUNT DUE UPON RECEIPT

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

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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

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

**PUBLIC UTILITY COMMISSION** 

**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.

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DOCKET NO.	ΓNO.
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# APPLICATION OF ENTERGY GULF STATES, INC. FOR RECOVERY OF TRANSITION TO COMPETITION COSTS

## DIRECT TESTIMONY OF THOMAS R. MANASCO

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## **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	

#### I. INTRODUCTION AND QUALIFICATIONS

- Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS
   ADDRESS.
- A. My name is Thomas R. Manasco. I am employed by Entergy Services,
  Inc. ("ESI") as Manager, Capital Planning. My business address is 639
  Loyola Avenue, New Orleans, Louisiana 70113.
- 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 "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>
  - My responsibilities increased over the years as I was promoted within the Entergy System. In 1979, I became the service supervisor for

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<sup>&</sup>lt;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).

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

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

EGSI TTC Cost Case 1-393 393

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

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## Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

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

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

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

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

Α. Yes. I have filed testimony in three Public Utility Commission of Texas 10 ("Commission" or "PUCT") dockets: Docket No. 22356, Application of 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 September 24, 2001); and Docket No. 25089, Project to Develop Market Protocols for the Portions of Texas Within the Southeastern Electric Reliability Council (direct testimony filed on April 11, 2003). I also filed testimony in EGSI's base rate case filed in August 2004 in Docket No. 30123, but that docket was dismissed before my testimony was entered into the record. I have not testified or filed testimony before any other regulatory agencies.

EGSI TTC Cost Case

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### II. PURPOSE AND ORGANIZATION OF TESTIMONY

2 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

Α. 3 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 Profiling and Data Aggregation; Pilot Project; and Pilot Operations. 8 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.

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Q. HOW ARE THE ACTIVITIES AND DOLLARS THAT YOU SUPPORT
DIFFERENT FROM THE ACTIVITIES AND DOLLARS THAT EGSI
WITNESSES WILLIAM T. CRADDOCK AND ANDREW E. QUICK
SUPPORT?

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

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- 21 Q. WHAT DO YOU MEAN BY THE TERM "MARKET MECHANICS"?
- 22 A. I use the term "market mechanics" in my testimony to mean:

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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, EGS
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

registration process, which further requires the ability to assign and

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track service delivery points by an Electric Service Identifier<sup>2</sup> (ESI-ID). Each Transmission and Distribution Service Provider ("TDSP") had to assign a unique ESI-ID to each delivery point in its distribution system<sup>3</sup> (that is, the point on a distribution system at which a customer receives electric service). The ESI-ID is the key identifier that associates and maintains the relationship between the customer, the REP providing electricity to that customer, and the TDSP delivering the electricity to that customer. (2) Data Transport and Transaction Management: the ability to electronically communicate with other market participants and ERCOT and the ability to manage and track those communications, which are known as "Texas SET" transactions. (3)Load Profiling: for all ESI-IDs for which IDRs (Interval Data Recorder meters) are not installed, the ability to develop load profiles and assign ESI-IDs to those profiles.

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<sup>&</sup>lt;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>&</sup>lt;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.