

Entergy Texas Distribution - Registration/Enrollment

■ Registration Process:

- Facilitate customer enrollment and switching
- Provide necessary data and updates to Central Registration Agent

■ Retail Administration and Support:

- Systems and processes that support REP information and interface needs - the new customer.
- "Business Center" support for REP Account Management in terms of qualification (EDI), Web support, information exchange, Retailer orientation, etc.
- Web portal for Retailers to obtain information on how to do business with Entergy
 - REP Users Manual
 - Permitting Data, Meter Cycles
 - Qualification Process and Criteria
 - Rates and Charges



Entergy Texas Distribution - Pilot Support

■ Texas Pilot:

- Provide systems and processes to facilitate Texas "Pre-Pilot" requirements and Pilot activities:
 - Determine Load Available for each of five customer classes and Aggregators*
 - Entergy Registration Database (Track & Report Interest/ REP selection relative to Load Available)
 - Customer Interest Period (Feb 15 to Mar 15, 2001)
 - Lottery Process (Mar 21, 2001) and Web presentation of selected Customer ESI-IDs
 - Customer REP Selection Period (Mar 21 to May 10 - Feb 15 for Residential)
 - Support Customer Switching (May 31 to Dec 31, 2001)
 - PUCT and REP status updates (March 21st and beyond)
 - Web Reporting - REPs - Aggregators - PUCT
 - MarketingList

*Note: Aggregator requirements will also be supported but are not specified herein



Entergy Texas Distribution - Electronic Data Transactions

- Standard Electronic Transactions
 - Provide systems and process to facilitate the timely and accurate electronic exchange of data/information with REPs, Central Registration Agent, and other Market participants.
 - Veritrans Transaction Clearinghouse for EDI interaction
 - Qualification/Certification with ERCOT
 - Data Conversion to ERCOT
 - REP qualification with Entergy



Entergy Texas Distribution - Market Mechanics Costs

- RTO
 - No direct cost to Entergy Texas Distribution anticipated
- ERCOT Registration/Enrollment Function
 - unknown at this time
- External
 - Veritran Transaction Clearinghouse - EDI
 - Implementation & Operation
 - ICF Profiling and Data Aggregation
 - software & implementation
- Internal Company Costs
 - Development
 - Operations



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Entergy Gulf States, Inc.
Pro Forma Documentation List
For the Transition Period June 1, 1999 through June 17, 2005
Amounts in Dollars

Proforma No	Description	Proforma Amount	Sponsor	Purpose
AJ003	Pilot Project Code Adjustments	(5,425.78)	Tom Manasco	The purpose of this adjustment is to move charges from project code R73468 to project code TRGTTP. At the initiation of the pilot project, two employees working on the pilot project incorrectly charged time to R73468; their time should have been charged to TRGTTP.
AJ004	TTTCAT Project Code Adjustments	0.00	Tom Manasco	The purpose of this adjustment is to move charges to DTXPIL and DMMTEX from TTTCAT. In 2004, some employees who were supporting the pilot operations project incorrectly charged their time to TTTCAT. Their time should have been charged to either DTXPIL or DMMTEX.
AJ005	Remove Property Closing Entries	3,604,470.48	Tom Manasco	The purpose of this adjustment is to properly reflect the correct costs of projects FB6037, FTTCAX, and TS4651.
AJ010	ERCOT Payment Adjustment	-	Tom Manasco	The purpose of this adjustment is to move the \$427,337.69 ERCOT payment from project code TRGTTP to D10023, which was necessary to record all ERCOT fees in the same project.
AJ012	Remove MICON Consultant Costs	(97,521.60)	Tom Manasco	The purpose of this adjustment is to remove MICON charges related to the market mechanics RFP process.
AJ013	Project Corrections	-	Tom Manasco	The purpose of this adjustment is to remove a credit that was incorrectly charged to Gas for DMMTEX. This adjustment also includes a charge to TTTCAT that should have been made to DMMTEX.

Amounts may not add or tie to other schedules due to rounding

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TX Distribution MM Review
March 8, 2001

Distribution Market Mechanics Implementation Plan for Texas

SCOPE: Define, design, implement, and integrate market mechanics functions for the Texas Pilot and Open Access.

- **Front-End Operations**
 - Registration
 - Registration Processes
 - Enrollment/switching processes managed by the Texas Central Registration Agent
 - Registration data & Texas Central Registration Agent Support
 - Supplying service delivery point info associated with the ESI-ID and keeping the info current on a daily basis
 - Texas Pilot Support
 - Retail Administration and Support
 - Develop REP web page
 - Develop REP training & users manuals
 - Support REP Account Mgmt Team
- **Data Transport/Transaction Management**
 - VeriTRAN Transaction Clearing House
 - Design/Construction of Interfaces to support Market EDIs
 - Interface to EAI
 - CIS & non-CCS Interfaces to EAI
 - CCS Interfaces to EAI [built by CCS]
- **Load Profiling & Data Aggregation**
 - Installation of ICF Energy Vision 2000 software
 - Creation and assignment of load profiles to be used in Settlement Process
 - Aggregation of end-customer usage data by REP by Settlement zone for Settlement Process
 - 3rd day after energy flow [Initial Settlement]
 - 45th day after energy flow [Final Settlement]

TX Distribution MM Review
March 8, 2001

PLANNING ASSUMPTIONS:

Mock Market®

- ☐ ETR/SPP will not conduct a Mock Market® in the non-ERCOT area.
- ☐ Distribution's "participation" in the ERCOT Mock Market® is limited to an observation role..

Pilot

- ☐ Texas will implement a pilot beginning on June 1, 2001 and run through December 31, 2001
- ☐ Texas will implement the pilot according to Texas Retail Competition Pilot Projects Rules
- ☐ Entergy will participate in the Texas Pilot.
 - ☐ Market Rules for the Pilot will be defined and published by 8/1/00.
 - ☐ ETR Transmission will establish and manage the wholesale operations [settlements, etc] during the pilot.
 - ☐ ETR transmission will transition to the SPP Market Rules in Q4 of 2001.
 - ☐ CCS will support customers and REPs participating in the pilot with appropriate interfaces to market mechanics
 - ☐ CIS will support non-participating customer ESI-ID data updates to the registration agent during the pilot.
 - ☐ All distribution customers will convert from CIS to CCS in December, 2001.
 - ☐ Data aggregation process will be performed at a GSU-TX basis (not substation) for the Pilot.
 - ☐ Unaccounted for energy [UFE] will not be accounted for in the pilot.

TX Open Access

- ☐ Texas will open market on January 1, 2002
- ☐ All distribution customers will have converted from CIS to CCS by 1/1/02.
- ☐ SPP Market Structure & Rules will be in effect prior to 1/1/02.

Internal

- ☐ CIS will support the registration database updates for customers not participating in the pilot until TX is fully converted to CCS in late 2001.
- ☐ CCS will be in production 6/1/01 and support participating customers for the Texas Pilot.
- ☐ The Enterprise Application Integration tool (EAI) will be used as a foundation to build a shared data architecture solution.
- ☐ The EAI is properly sized and will be tested to ensure increased usage does not result in performance degradation.
 - Load Profiling and Data Aggregation processes will retrieve all Entergy system data via the EAI.

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TX Distribution MM Review
March 8, 2001

SUMMARY

Overall Project Status: Yellow

- ❑ Overall Front End Operations generally GREEN status for pilot.
- ❑ Overall load profiling/data aggregation for pilot is GREEN – YELLOW for pilot
 - ❑ very tight schedule path for profile creation
- ❑ Overall Data Transport & Transaction Mgmt is YELLOW for Pilot
 - ❑ VeriTRAN transaction clearinghouse: GREEN
 - ❑ Interfaces from VeriTRAN to EAI : GREEN - YELLOW
 - ❑ Interfaces from EAI to internal systems : YELLOW - RED
- ❑ TX market rules related to business processes and EDI standards are finalized for pilot but changes are still being proposed
- ❑ Since CCS will be used to support customers participating in the pilot, successful pilot operations [and interim Mock Market[®]] is dependent upon CCS being operational and necessary CCS interfaces to market mechanics through EAI being completed.
 - ❑ Critical path for readiness is the ability to complete end-to-end interfaces from VeriTRAN through EAI to CCS.
- ❑ Combination of delay in finalization of rules/standards for pilot and time required to design/build CCS interfaces have potential to create significant schedule compression, if not negative scheduling conditions.

Distribution Market Mechanics STATUS

ICON	FRONT-END OPERATIONS	STATUS/IMPACT
Green	Registration Processes	☐ Current processes on schedule: ~ 90% complete ☐ Rules are not finalized: subsequent significant changes may impact readiness capability
Green	Registration data and Registration Agent Support	☐ In progress ~ 80% complete
Green	Texas Pilot Support	☐ Schedule for CCS interface supports completion prior to pilot operations.
Green	Retail Adm & Support	☐ On schedule ~ 70% complete

ICON	DATA TRANSPORT & TRANSACTION MGT	STATUS/IMPACT
Green	VeriTRAN Transaction Clearinghouse	☐ In progress with SET Version 1.2 95% complete
Green	Design/Construction of VeriTRAN - EAI interfaces	☐ On schedule with SET Version 1.2. Subsequent changes in EDI [SET Versions] may impact ability to be ready due to required changes in internal interface modifications.
Yellow	Design/Construction of EAI - CIS interfaces	☐ On schedule with SET Version 1.2. Subsequent changes in EDI [SET Versions] may impact ability to be ready due to required changes in internal interface modifications.
Yellow	Design/Construction of EAI to non-CIS/CCS system interfaces	☐ On schedule with SET Version 1.2. Subsequent changes in EDI [SET Versions] may impact ability to be ready due to required changes in internal interface modifications.
Yellow	Design of EAI - CCS Interfaces ☐ CCS Responsibility	☐ shared data architecture issues & IT resource constraints ☐ On schedule as reported by CCS with SET Version 1.2. Subsequent changes in EDI [SET Versions] may impact ability to be ready due to required changes in internal interface modifications.

TX Distribution MM Review
March 8, 2001

Distribution Market Mechanics STATUS (cont'd)

ICON	LOAD PROFILING & DATA AGGREGATION	STATUS/IMPACT
Green	Installation of EV2K hardware	☐ complete
Green	Installation of enhanced EV2K software	☐ complete
Yellow - Red	Creation, Assignment, Publication of Load Profiles for Settlement Process	☐ delay in software enhancements and loading of historical research info delayed completion date to mid-March
Green	Data Aggregation for Mock Market & Pilot	☐ On Schedule for Testing in April & implementation 6/1/01. ☐ Design specifications complete.
Yellow	Data Aggregation for Open Access at 1/1/02	☐ SPP Market Rules/protocols not defined. ☐ SPP currently plans to define market rules/protocols in Q2 - 01.

ICON	SHARED DATA ARCHITECTURE	STATUS/IMPACT
Yellow - Red	Design of Shared Data Architecture approach to implementing interfaces through EAI	☐ Data Architect (IBM) rolling off project without identified SAIC resource hired.

TX Distribution MM Review
March 8, 2001

Milestones - Last 90 Days

KEY MILESTONE	TARGET DATE	STATUS	COMMENTS
COMPLETE STATEMENTS OF WORK			
IBM/VeriTRAN			
IBM Master Agreement	11/03/00	☐ completed December	
VeriTRAN Implementation SOW	11/03/00	☐ completed December	
VeriTRAN Operational Contract	12/1/00	☐ Negotiations in progress	☐ planned completion in late March
ICF			
EV2K Implementation SOW, Review, and Acceptance	11/15/00	☐ completed December	
EV2K Software License & Maintenance	11/17/00	☐ completed December	
SAIC SOW for hardware/installation for EV2K software	11/1/00	☐ SOW completed.	
Front-End Operations			
First Data Conversion Test with TX Registration Agent [ERCOT]	11/15/00	☐ completed November	
Creation of ESI-IDs and compilation of associated data for Registration Agent	1/05/01	☐ completed January	
Web Portal for Retailers operational	12/31/00	☐ Completed January	☐ enhancements being made
Load Availability for Pilot published on Web Portal - Customer and Retail	1/31/01	☐ Completed January	☐ in operation

TX Distribution MM Review
March 8, 2001

Milestones - Last 90 Days (cont'd)

KEY MILESTONE	TARGET DATE	STATUS	COMMENTS
DATA TRANSPORT & TRANSACTION MGMT			
☐ VERITRAN TRANSACTION CLEARING HOUSE			
VeriTRAN - Complete Functional, Technical, and Preliminary Design	1/17/01	☐ completed	☐ Dependent on Texas SET issues & subsequent changes
VeriTRAN Clearinghouse operational	1/27/01	☐ operational	☐ Dependent on Texas SET issues & subsequent changes
☐ DESIGN/CONSTRUCTION OF INTERFACES FOR MARKET TRANSACTIONS			
Design for Construction of CIS Phase 0 interfaces	11/3 - 1/05	☐ Completed February	
Design of CCS interfaces	12/6 - 1/04	☐ completed January	☐ Pending CCS Construction
LOAD PROFILING & DATA AGGREGATION			
EV2K hardware Installed	11/17/00	☐ installed December	
EV2K software Installed	12/15/00	☐ installed February	☐ software enhancement necessary to meet business need
Distribution & Transmission Loss Multipliers Finalized	12/15/00	☐ completed December ☐ multipliers published	
Initial data for profiles loaded on software	12/15/00	☐ planned completion 3/7	☐ software enhancements, data extract and loading problems impacting schedule
Creation of profiles for market settlement	1/19/01	☐ planned completion 3/16	☐ software enhancements, data extract and loading problems impacting schedule
Complete Profile Assignment to customer	1/26/01	☐ planned completion 3/16	☐ software enhancements, data extract and loading problems impacting schedule
Publish Profiles	2/12/01	☐ planned completion 3/16	☐ software enhancements, data extract and loading problems impacting schedule

TX Distribution MM Review
March 8, 2001

Milestones - Next 90 Days

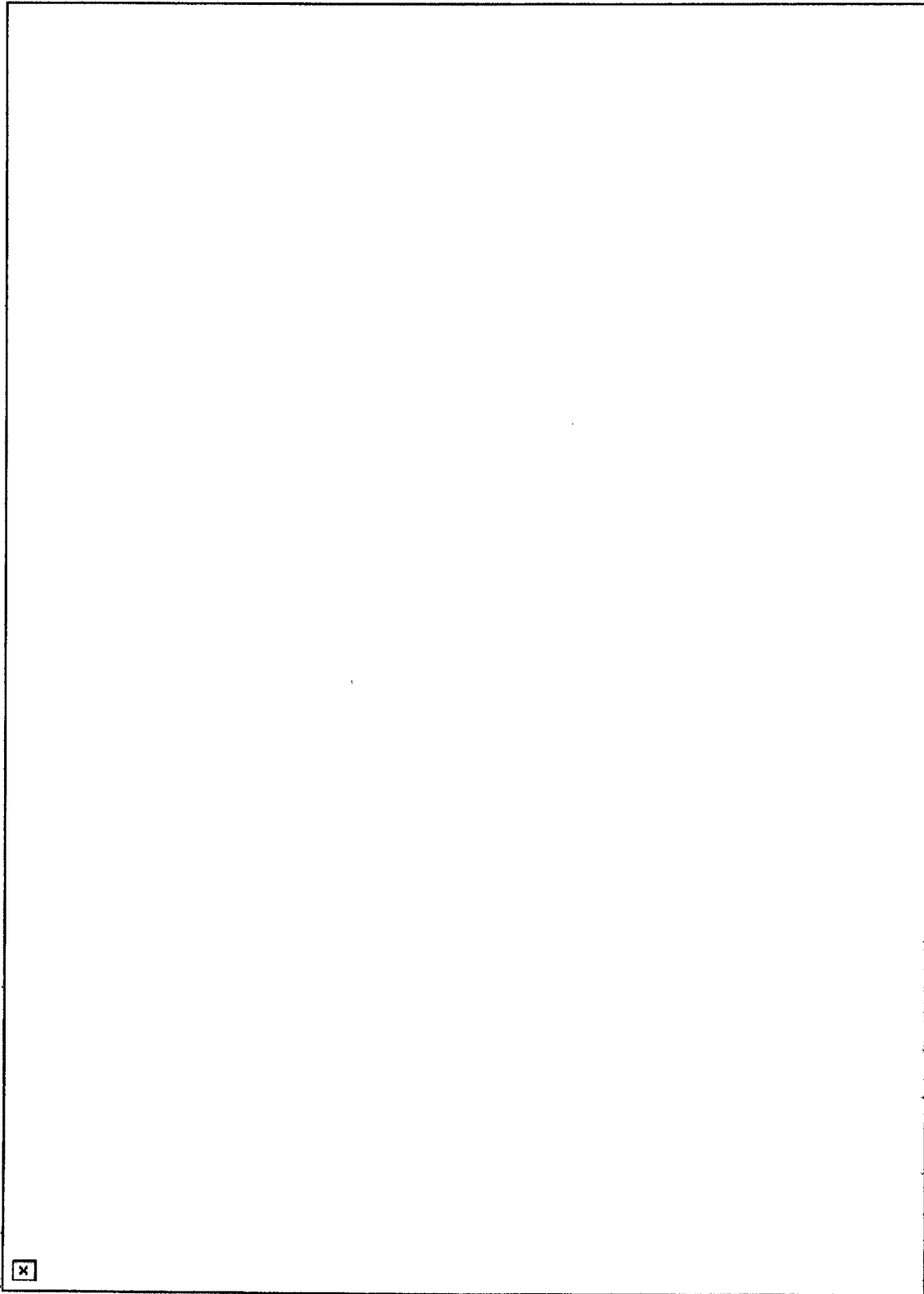
KEY MILESTONE	TARGET DATE	STATUS	COMMENTS
DATA TRANSPORT & TRANSACTION MGMT			
VERITRAN TRANSACTION CLEARING HOUSE			
Market Testing/Certification	1/18 - 4/10	☐ On Schedule ☐ Target date may extend to 11/01 due to Independent Testing Agent Requirements	☐ Independent Testing Agent Changing Schedule / Requirements
DESIGN/CONSTRUCTION OF INTERFACES FOR MARKET TRANSACTIONS			
Completion of construction for CCS interfaces	3/26	☐ On schedule as reported by CCS	
Completion of construction for non-CCS interfaces	4/6	☐ On schedule	☐ One interface for BEX to VeriTRAN Scheduled for 8 May 01
Completion of non-CCS UAT	5/15	☐ On schedule	
Completion of CCS UAT	5/15	☐ On schedule as reported by CCS. ☐ Dependent on schedule of CCS construction.	
LOAD PROFILING & DATA AGGREGATION			
Creation of profiles for market settlement	3/16/01	☐ planned completion 3/16	☐ software enhancements, data extract and loading problems impacting schedule
Complete Profile Assignment to customer	3/16/01	☐ planned completion 3/16	☐ software enhancements, data extract and loading problems impacting schedule
Publish Profiles	3/23/01	☐ planned completion 3/23	☐ software enhancements, data extract and loading problems impacting schedule
Data Aggregation Completed	4/15/01	☐ in progress	☐

TX Distribution MM Review
March 8, 2001

Milestones - Next 90 Days (cont'd)

KEY MILESTONE	TARGET DATE	STATUS	COMMENTS
MM UAT AND INTEGRATION TESTING			
Completion of non-CCS UAT	5/15	☐ On schedule	
Completion of CCS UAT	5/15	☐ On schedule as reported by CCS. ☐ Dependent on schedule of CCS construction.	
VeriTRAN - User Acceptance Testing	2/19 - 5/15	☐ On Schedule	

TX Distribution MM Review
March 8, 2001



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2001 Budget Issue

2001 Total Market Mechanics Budget, including Retail component, was allocated on a per customer basis to TX and AR as follows based on initial AR/TX Implementation Plan and associated CEA allocating costs on a per customer basis. Attempts to re-open the budget to correct budget allocations to align with strategy change in late August for state specific implementations were unsuccessful.

Capital Budget

	As budgeted	As intended	Comments
Total MM 2001 Budget	\$8,090,904	\$8,090,904	
☐ Texas Distribution	\$ 2,831,817	\$ 4,569,889	
☐ Arkansas Distribution	\$ 5,259,087	\$ 500,000	☐ no costs planned for AR in 2001
☐ Louisiana Distribution	\$ 0	\$ 500,000	☐ no costs planned for LA in 2001
☐ Retail Component	\$ 0	\$ 2,521,015	

All Market Mechanics Implementation \$\$s are budgeted at TTC level and will require "off-line" management.

TX Distribution MM Review
March 8, 2001

RISKS

RISK	DESCRIPTION	PROBABILITY (%)	IMPACT	MITIGATION ACTIONS	RESPONSIBILITY
EXTERNAL FACTORS					
TX Rules will continue to change for Pilot	☐ Continuing changes and subsequent rework will impact ability to be ready for pilot activities	50%	Low-Medium	☐ TX SET team participation	TTC and work team groups
INTERNAL FACTORS					
CCS & required interfaces will not be ready	☐ CCS interface construction schedule and time constraints not known	unknown	Medium-High	☐ Work around contingency	Work around team
Enterprise Application Integrator (EAI)	☐ Readiness: New untried; breadth and volume are large. Performance capability is untested as it relates to MM volume.	25%	High	☐ System and Load Testing	EAI PMO
Shared Data Architecture	☐ Data Architect and strategy is required to ensure the EAI interfaces are designed and constructed to support Texas Market transactions	20%	High	☐ Use IBM Data Architect to fill this roll with a transition plan to migrate the position to a full-time Entergy or SAIC employee.	MM PM
IT - Strength of Bench	☐ High turnover on work teams; new members must come up to speed quickly for design/implementation; no internal system experts as permanent team members	80%	High	☐ Assignment and commitment of resources to projects ☐ Increase compliment of IT staffing for projects	IT/SAIC
Profiles will not be available for pilot	☐ ICF cannot support development of profiles in time for use in the pilot	10%	Medium-High	☐ Use of ERCOT profile types Pilot ☐ Use of company data only to create profiles	☐ MM Team
Data Aggregation will not be ready for pilot	☐ inability to aggregate REP data for settlement purposes	5%	High	☐ Ensure critical path is kept on schedule	☐ MM Team

TX Distribution MM Review
March 8, 2001

DEPENDENCIES/OPEN ISSUES

DEPENDENCY/ OPEN ISSUE	IMPACT Area Affected	RESPONSIBILITY Identified Individual	DUE DATE	RESOLUTION
Market Rules ☐ Terms & Conditions	☐ Business Processes may be impacted as T&Cs get interpreted	☐ Business Process Owners ☐ TTC coordination ☐ Regulatory support	☐ Ongoing	☐ Push for finalization of rules and/or staged implementation ☐ TTC Version controls
Market Rules ☐ EDI Standards	☐ Changes to EDI standards and requirements will impact functional, technical, and interface designs for MM and CCS	☐ TX Rule Making ☐ SET Team ☐ Pam Wallace/MM ☐ Regulatory Sppt	☐ Version 1.2 defined for Pilot	☐ Push for finalization of rules and/or staged implementation
CCS Implementation and interfaces	☐ data and information required for customers participating in the pilot ☐ schedule coordination	☐ CCS Team ☐ MM Team	☐ 11/15	☐ Work around contingency for interface ☐ Integrated schedules for timely completion.
non-ERCOT Pilot Market Rules not well defined and communicated	☐ Data aggregation process and deliverables	☐ ETR Mkt Team ☐ Transmission Ops ☐ SPP	☐ Q-01	☐ general plans known ☐ need closure on wholesale market operations in pilot
SPP Market Rules not defined	☐ impacts conversion from pilot to full market in late 2001 for data aggregation process	☐ SPP/Transco	☐ ?	☐ SPP/Transco roles/responsibilities defined in Q1, 2001

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Market Mechanics

Steering Committee - 05/02/01

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Overview

Exhibit TRM-05
2005 Transition to Competition Cost Case

■ Overall Status Report

■ Costs -over budget

- Significant cost estimate increase & estimate variances from SAIC
- Changing market rules /external & internal testing, EAI related issues are creating significant cost increases..

■ Key Issues/Status

- Market Rules
- Independent Testing Delays
 - Retail Market Certification [24 days behind]
 - Wholesale Mock Market [3 weeks behind]
- Internal Interfaces (CCS)
- EAI - New Technology Implementation Issues
- SAIC Cost Variances



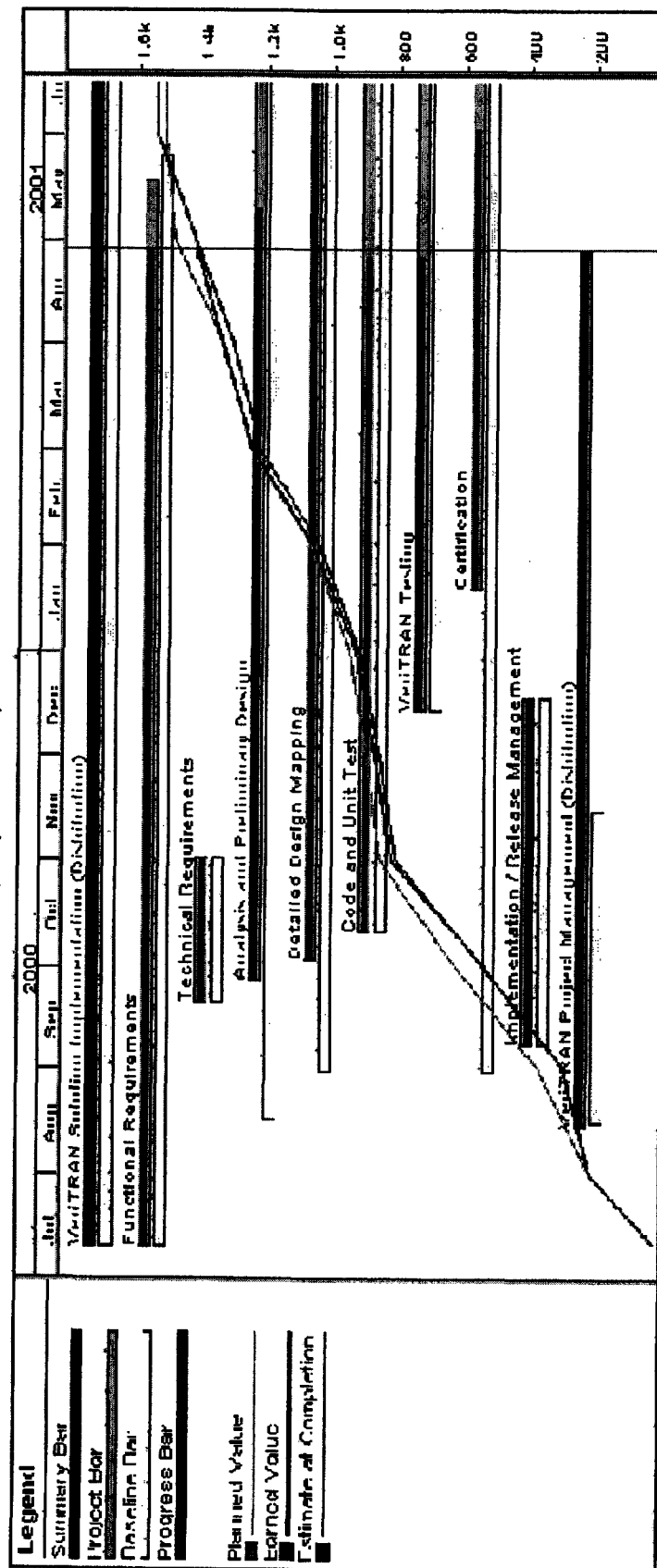
Market Mechanics Steering Committee- May 2001

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Distribution Data Transport & Transaction Management

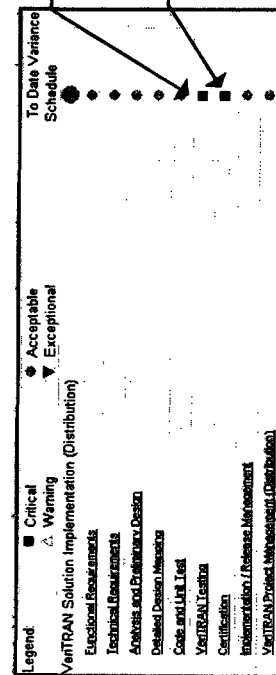
*The electronic "door" to the market place - EDI
Manages EDI data transport & transaction management
Supports registration/enrollment/switching processes
(IBM/ VeriTRAN)*

Exhibit TRM-05
2005 Transition to Competition Cost Case



Developing Cycle Files 52 hours behind schedule.

Shows RED due to creating OTS Training Environment - 36 hr. slip.



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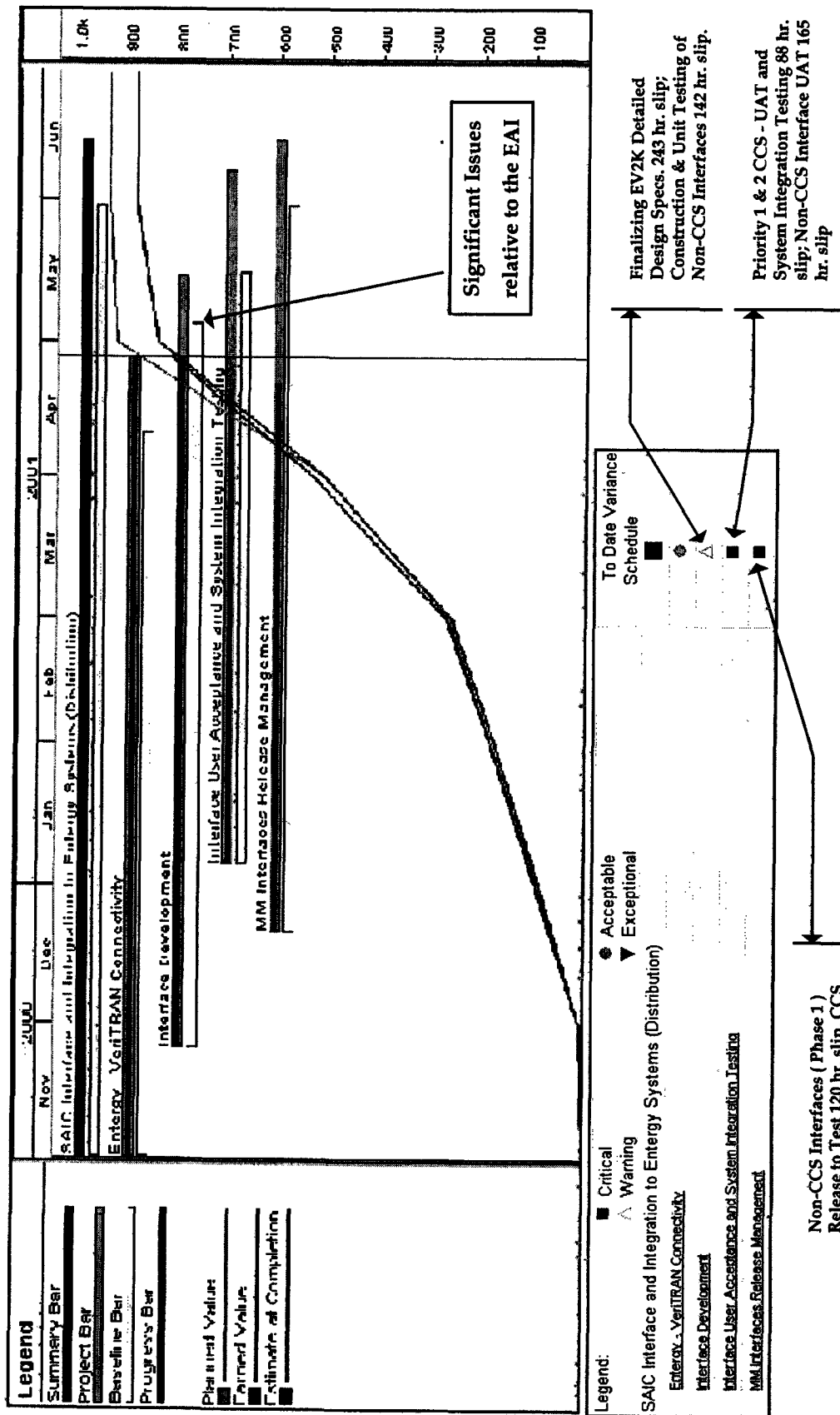
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Distribution Interfaces to EAI, Internal Systems

Exhibit TRM-05
2005 Transition to Competition Cost Case

*Data/information flow into, out of, and
between internal systems*



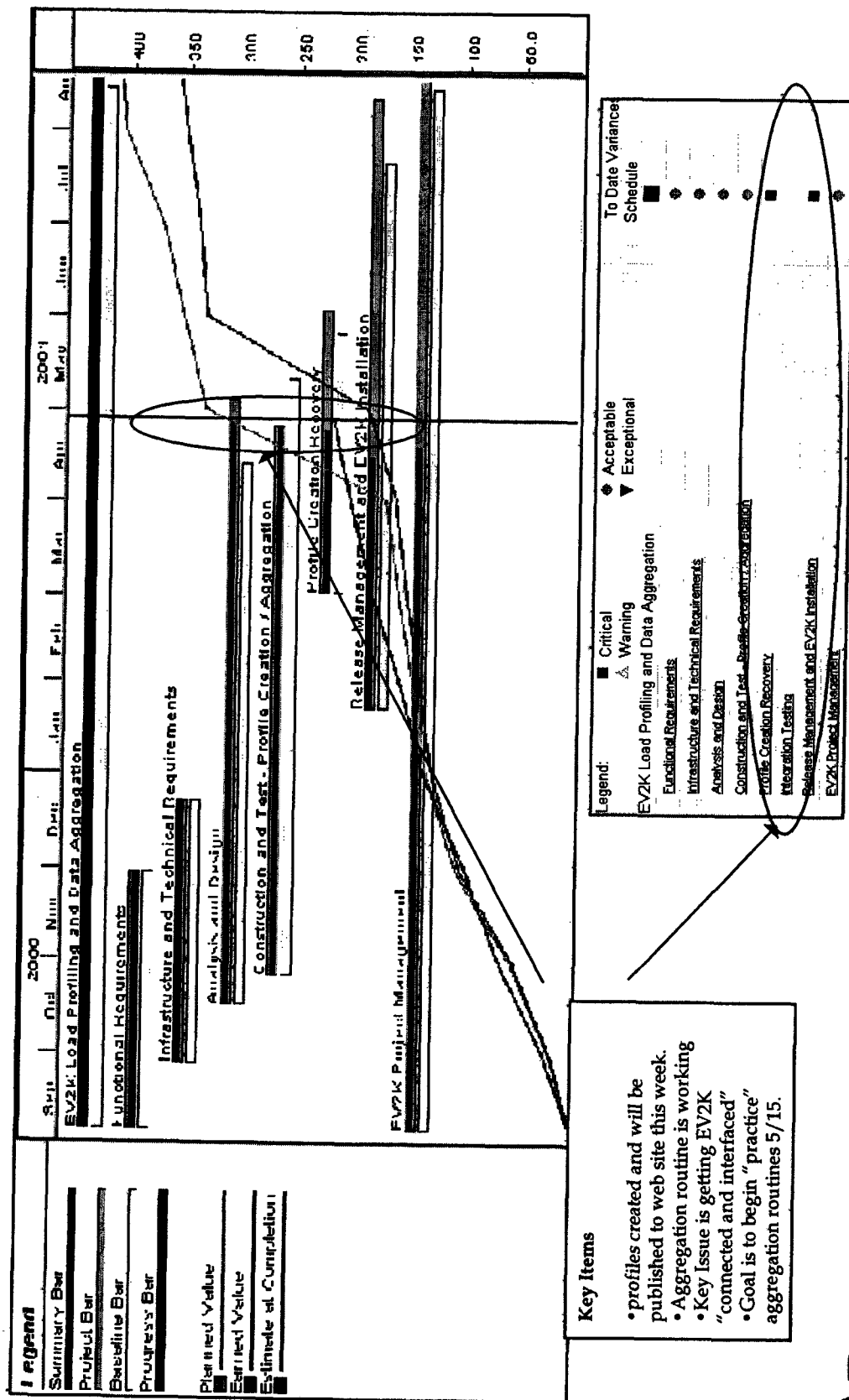
Market Mechanics Steering Committee- May 2001

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Distribution Load Profiling & Data Aggregation

Exhibit TRM-05
2005 Transition to Competition Cost Case

*Development and maintenance of market settlement profiles
Aggregation of energy usage info by REP for wholesale
settlements ICF Consulting & Software (Energy Vision 2000)*



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Market Mechanics Steering Committee- May 2001



Retail Status

■ Data Transport & Transaction Mgmt

- No significant issues. On schedule. Enrollment transactions being performed from Goldmine.

■ Forecasting

- On Hold [3rd week]
 - pending Retail/Supply Acquisition decisions relative to system solutions for Scheduling, Settlements, etc.
 - Forecasting Mgr position vacancy.
- Basic design, Business & Technical Review Completed.
- Excel workaround in place for 6/1 pilot.

■ Internal Interfaces/EAI

- Low probability of completion of CCS interfaces, EAI prior to 6/1.
- Contingencies in place, or being finalized for 6/1 start.



Market Mechanics Steering Committee- May 2001

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Distribution Market Mechanics Project Capital Spending Report
Actuals Ending March 31, 2001

Exhibit TRM-05
2005 Transition to Competition Cost Case

Revised 05/03/01 AM

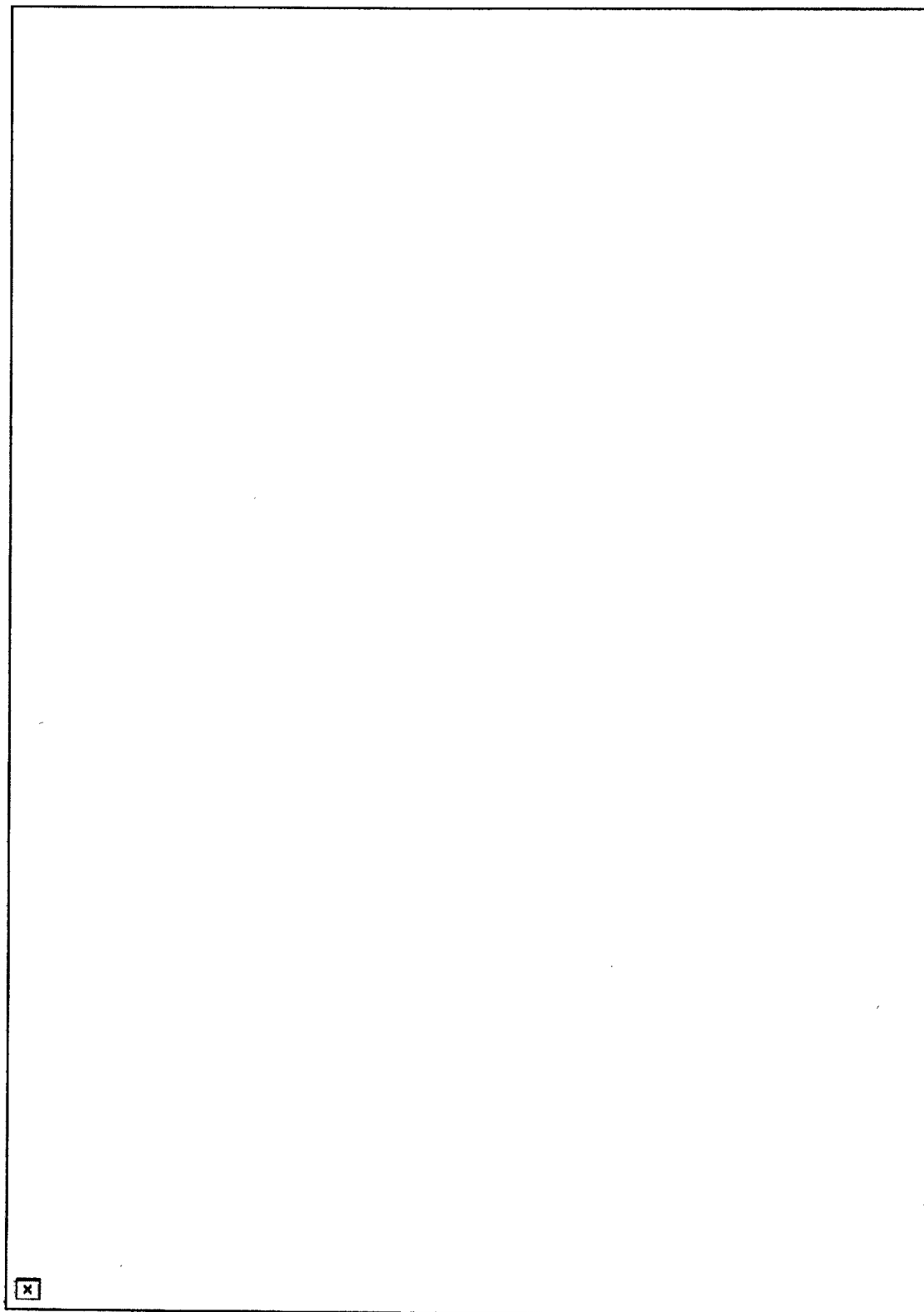
	ETR	IBM	ICF	SAIC	FIT	Total
March 2001 Spending						
Actuals	246,191	337,004	-	468,337	40,854	1,092,386
YTD March Spending						
Actuals	461,031	1,201,719	189,928	1,675,057	83,286	3,611,021
2001 Annual Spending						
2001 Present Estimate	1,938,706	4,000,000	1,368,000	7,074,134	257,292	14,638,132
2001 Budget						5,570,000
Variance						9,068,132
2000 Spending						
Actuals	1,707,579	1,146,041	275,113	250,760	944,185	4,323,678
Adjusted 2000 Budget						5,400,000
Variance of Actuals to Budget						(1,076,322)
Total Project Forecast						
Present Estimate	3,646,285	5,146,041	1,643,113	7,324,894	1,201,477	18,961,810
Budget						10,970,000
Variance						7,991,810
Legal Entity Cost						
				2000	2001	Total
Arkansas						
Present Estimate				1,085,000	-	1,085,000
Adjusted Budget				900,000	500,000	1,400,000
Variance				185,000	(500,000)	(315,000)
Texas						
Present Estimate				3,238,678	14,638,132	17,876,810
Adjusted Budget				4,500,000	4,570,000	9,070,000
Variance				(1,261,322)	10,068,132	8,806,810
Louisiana						
Present Estimate				-	-	-
Adjusted Budget				-	500,000	500,000
Variance				-	(500,000)	(500,000)



Market Mechanics Steering Committee- May 2001

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Exhibit TRM-05
2005 Transition to Competition Cost Case



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Market Mechanics Steering Committee- May 2001

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Significant Variances

Exhibit TRM-05
2005 Transition to Competition Cost Case

IBM/VeriTRAN: \$ 3.8 Million

- Retail \$1.6 MM
 - Statement of Work in December = \$1.1 Million more than original estimate
 - Scope change for extended testing: \$ 0.250 MM
 - Group 2 Items \$ 0.25 MM
- Distribution \$2.3 MM
 - Pre-pilot Support Activities - \$ 0.3 MM
 - Scope Change for Extended Testing: \$0.3 Million
 - Group 2 Items: \$ 1.7 MM

SAIC: \$ 7.1 MM

- Distribution: \$6.3 MM
 - Original estimate did not include interfaces to all legacy systems, and only included connecting VeriTRAN and EV2K to the EAI.
 - Currently building all EAI interfaces with the exception of CCS
 - Complexity and extent of work with EAI much greater than originally planned.
 - Group 2 Items: \$ 1.6 MM

- Retail: \$0.8 MM
 - Complexity and extent of work with EAI much greater than originally planned
 - Group 2 Items: \$ 0.4 MM

FIT Allocation: \$1.5 MM not originally budgeted



Market Mechanics Steering Committee- May 2001

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Scope Changes

Exhibit TRM-05
2005 Transition to Competition Cost Case

Group 1 [Includes requirements for 6/1 Pilot Opening] \$ 7.5 MM

Market Rules Delayed/Changed

- Terms & Conditions not baselined until 2/01
- SET not baselined until Jan. 02 (Set Version 1.2) SET changed for 6/1/01 to Ver. 1.3 in April
- Independent Test Agent - Increased Market Certification Testing 6+ Months

- Distribution Interfaces to EAI, Internal Systems
 - Building all interfaces (~43) to EAI for all internal systems except CCS
 - Unanticipated support of EAI deployment
 - Establishing hardware environment
 - Establishing change control process

Group 2 [Includes anticipated additional requirements for 1/1/02] \$5.2 MM

- Market Rules Delayed / Changes
 - Independent Test Agent - Increased Market Certification Testing [Additional re-testing in Oct for 1/1/02 market opening- Flight 3]
 - SET change from Ver. 1.3 to version 1.4 [will include new EDI transactions, repairs to existing transactions]
 - "650" (Service Order) Transactions to be added for 1/1/02
 - Outage Transactions added for 1/1/02
 - Permit Processing Transactions to be added for 1/1/02
 - TDSP as LSE for pilot operations work-arounds
- Load Profiling & Data Aggregation
 - to comply newSPP Market Settlement Rules for 1/1/02



Market Mechanics Steering Committee- May 2001

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Appendix

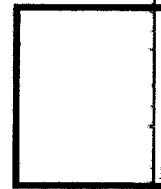
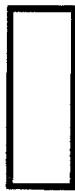
Market Mechanics Cost Issues Details



Exhibit TRM-05
 2005 Transition to Competition Cost Case

Market Mechanics Cost Issues

Total

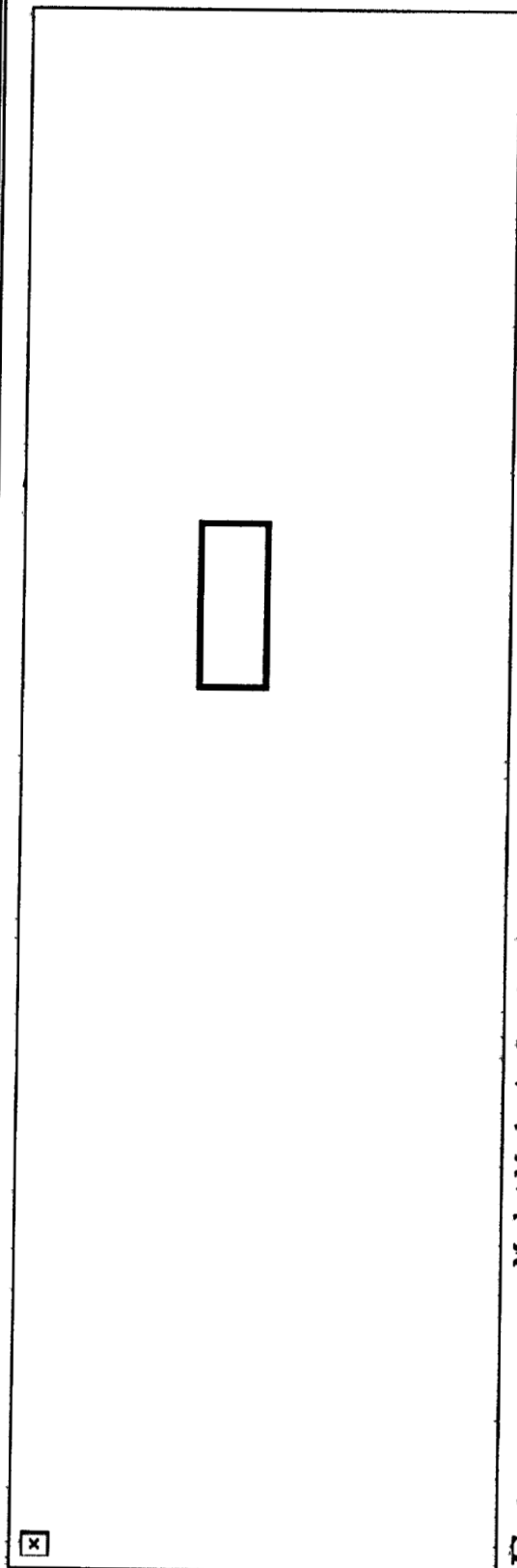
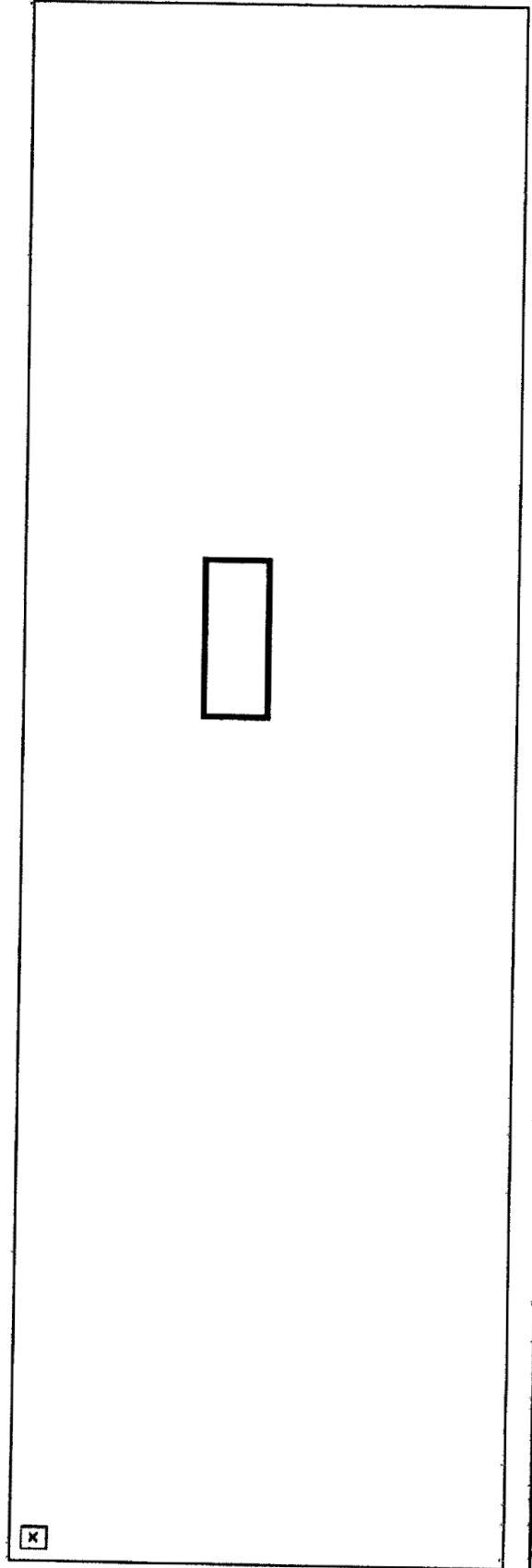


Market Mechanics Steering Committee- May 2001

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Market Mechanics Cost Issues by Distribution & Retail

Exhibit TRM-05
2005 Transition to Competition Cost Case



Sensitive & Confidential Information

Market Mechanics Steering Committee- May 2001



Original Planning Assumptions

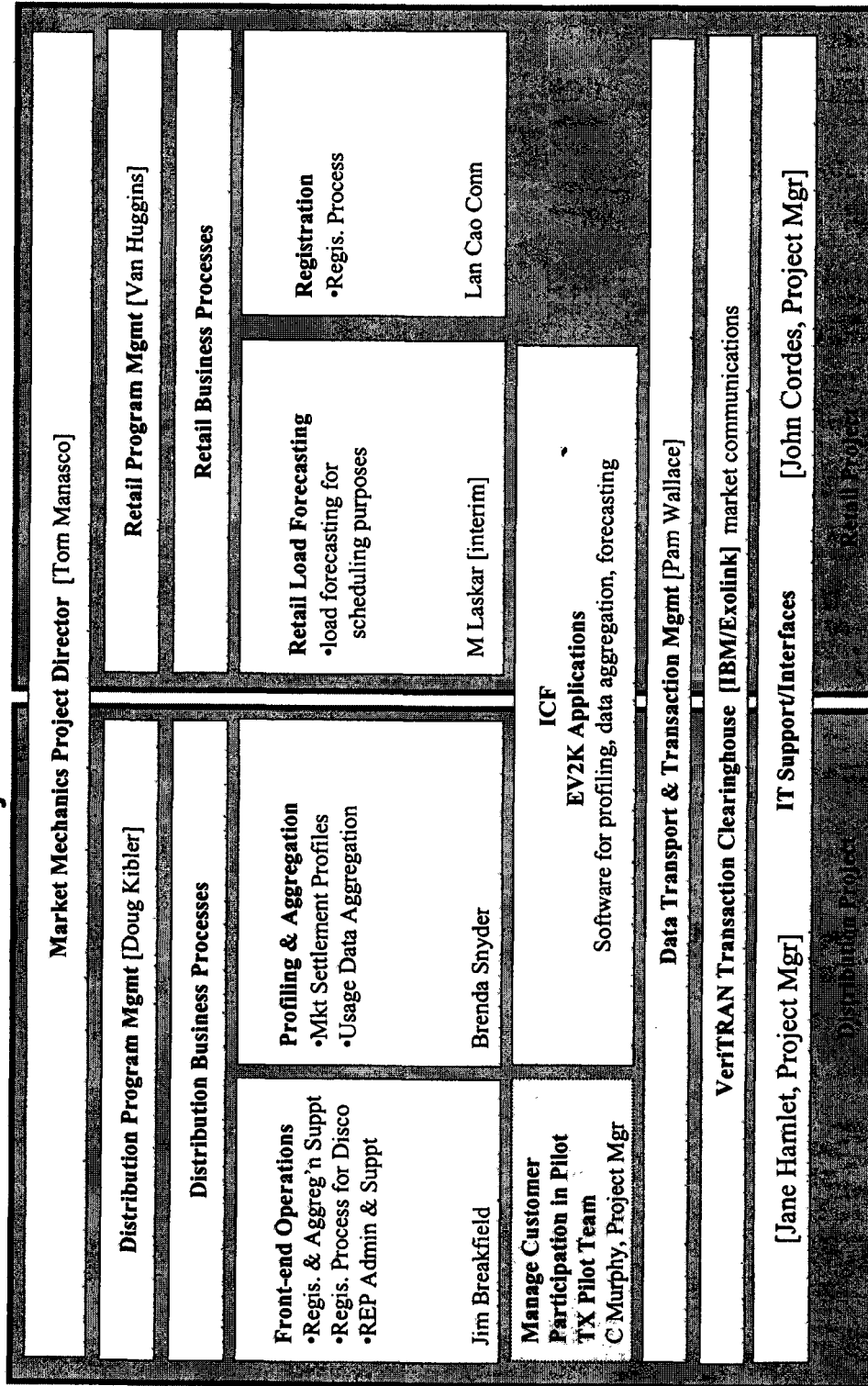
- External dependencies - Texas Market
 - SET to be Baseline by October 30
 - Terms and Conditions to be Baseline by October 30
 - Certification to be accomplished by DISCO to REP and ERCOT (No Third-Party Testing Agent)
- Internal system dependencies would support Market Mechanics interfaces and systems
 - EAI Production-Ready October 30, 2000
 - EAI PMO Available for Support
 - Reduction in Implementation and O&M Costs
 - Pilot validated functionality and utility of Technology (June 2000)
 - Infrastructure deployed by October 30, 2000
 - CCS
 - Functionally Ready for 1/15/01
 - CCS/CIS to build all Entergy system interfaces to EAI except VeriTRAN and EV2K
 - Support all data cleansing activities from CIS and other interfacing systems
 - SAIC
 - Support with experienced internal resources at in-scope rates
 - Build only 2 interfaces from EV2K to EAI and the EAI to VeriTRAN
 - Build Internal Control Points (QA / Validation of Data Flow for Interfaces)
 - Support Vendor Selection Process



Market Mechanics Steering Committee- May 2001

Sensitive & Confidential Information

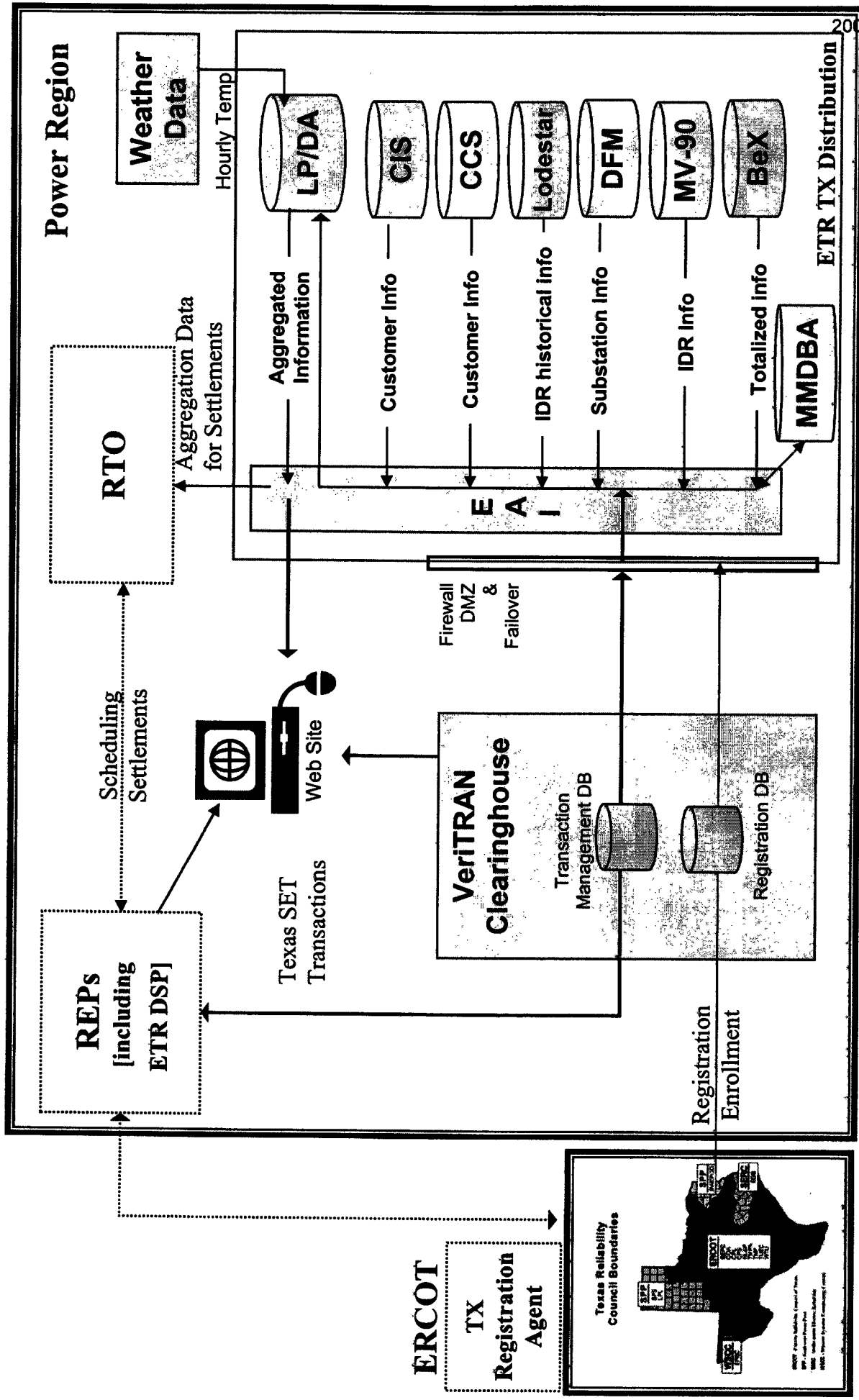
Project Structure



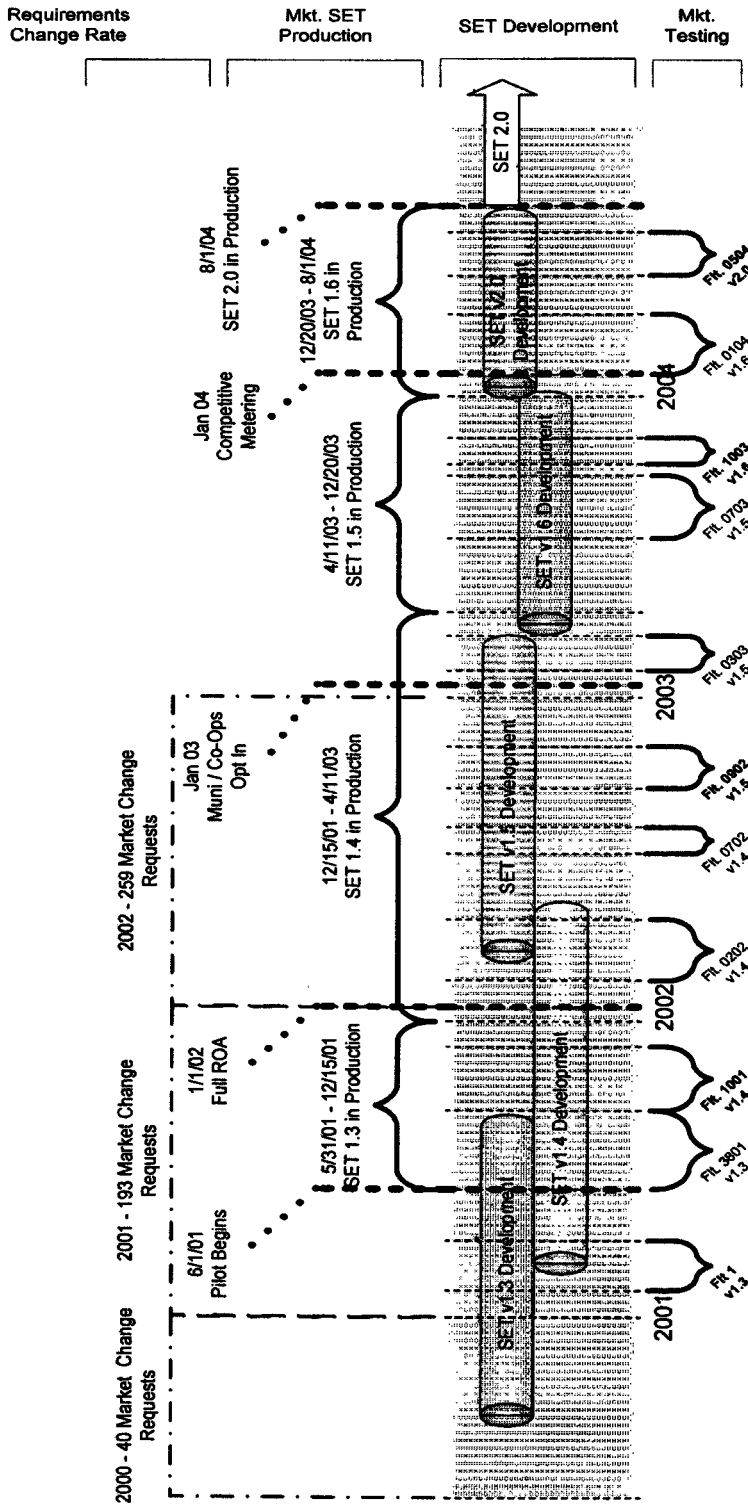
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EDI Transaction	Description	Information Flow
650_01	Service Order Request	CR to TDSP
650_02	Service Order Complete, Complete Unexecutable, Reject Response or Notification of Permit Required	TDSP to CR
650_04	Suspension of Delivery Service Notification or Cancellation	TDSP to CR
650_05	Suspension of Delivery Service Reject Response	CR to TDSP
810_02	TDSP Invoice	TDSP to CR
810_03	Muni / Co-op Invoice	CR to MCTDSP
814_PA	Residential Volunteer/Verification of Signed Contract (Non-residential/Aggregator) Request	CR to TDSP
814_PB	Residential Volunteer/Verification of Signed Contract (Non-residential/Aggregator) Response	TDSP to CR
814_01	Switch Request	New CR to ERCOT
814_02	Switch Reject Response	ERCOT to New CR
814_03	Switch CR Notification Request	ERCOT to TDSP
814_04	Switch CR Notification Response	TDSP to ERCOT
814_05	Premise Information and Enrollment Response	ERCOT to New CR
814_06	Drop Due to Switch Request	ERCOT to Current CR
814_07	Drop Due to Switch Response	Current CR to ERCOT
814_08	Cancel Switch Request	ERCOT to Current CR ERCOT to TDSP ERCOT to New CR Current CR to ERCOT
814_09	Cancel Switch Response	TDSP to ERCOT Current CR to ERCOT New CR to ERCOT ERCOT to Current CR
814_10	Drop to POLR Request	Current CR to ERCOT
814_11	Drop to POLR Response	ERCOT to Current CR
814_12	Date Change Request	New CR to ERCOT (MVI) ERCOT to Current CR (MVI) ERCOT to CSA CR (MVO) ERCOT to TDSP (MVI/MVO) Current CR to ERCOT
814_13	Date Change Response	ERCOT to New CR Current CR to ERCOT (MVI) CSA CR to ERCOT (MVO) TDSP to ERCOT (MVI/MVO) ERCOT to Current CR (MVI)
814_14	POLR Enrollment Request	ERCOT to POLR
814_15	POLR Enrollment Response	POLR to ERCOT
814_16	Move-in Request	New CR to ERCOT
814_17	Move-in Reject Response	ERCOT to New CR
814_18	Establish/Delete CSA CR Request	New CSA CR to ERCOT Current CSA CR to ERCOT ERCOT to Current CSA CR
814_19	Establish/Delete CSA CR Response	ERCOT to New CSA CR ERCOT to Current CSA CR Current CSA CR to ERCOT
814_20	Create/Maintain/Retire ESI-ID Request	TDSP to ERCOT ERCOT to Current CR ERCOT to New CR ERCOT to CSA CR

EDI Transaction	Description	Information Flow
814_21	Create/Maintain/Retire ESI-ID Response	ERCOT to TDSP Current CR to ERCOT New CR to ERCOT CSA CR to ERCOT ERCOT to CSA CR
814_22	CSA Move-in Request	ERCOT to CSA CR
814_23	CSA Move-in Response	CSA CR to ERCOT
814_24	Move-Out Request	Current CR to ERCOT ERCOT to TDSP
814_25	Move-out Response	TDSP to ERCOT ERCOT to Current CR
814_26	Ad Hoc Request	CR to ERCOT ERCOT to TDSP
814_27	Ad Hoc Response	TDSP to ERCOT ERCOT to CR
814_28	Complete Unexecutable or Permit Required	TDSP to ERCOT ERCOT to New CR ERCOT to Current CR
814_29	Response to Complete Unexecutable or Permit Required	Current CR to ERCOT New CR to ERCOT ERCOT to TDSP
814_PC	Maintain Customer Info Request	CR to TDSP
814_PD	Maintain Customer Info Response	TDSP to CR
820_02	CR Remittance Advice	CR to TDSP
820_03	Muni / Co-op Remittance Advice	MCTDSP to CR
824	Application Advice	ERCOT to TDSP CR to ERCOT CR to TDSP
867_02	Historical Usage	TDSP to ERCOT ERCOT to Current CR ERCOT to New CR
867_03	Monthly Usage	TDSP to ERCOT ERCOT to Current CR
867_04	Initial Meter Read Notification	ERCOT to New CR
997	Functional Acknowledgement	Recipient of Transaction to Sender of Transaction



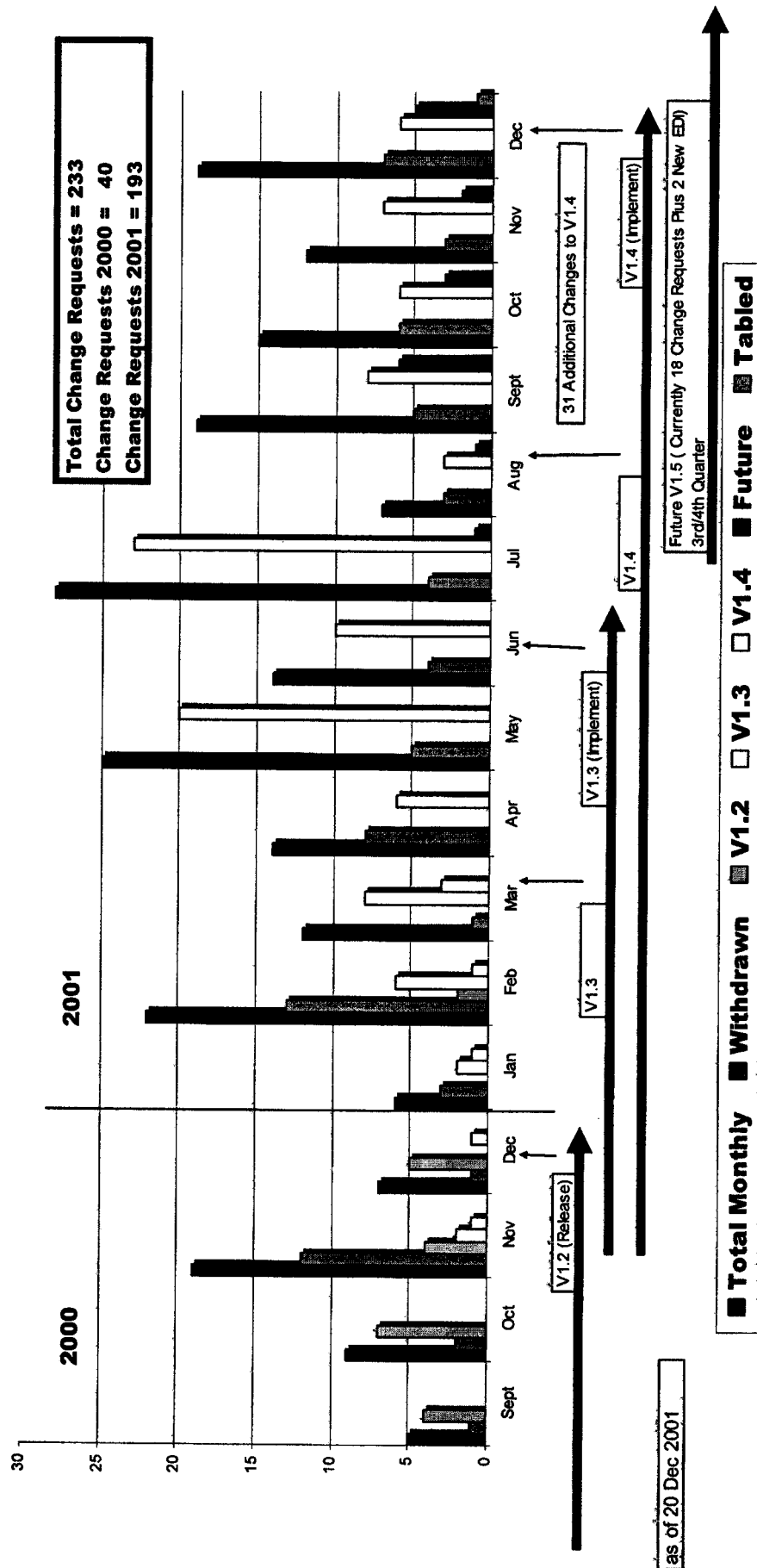
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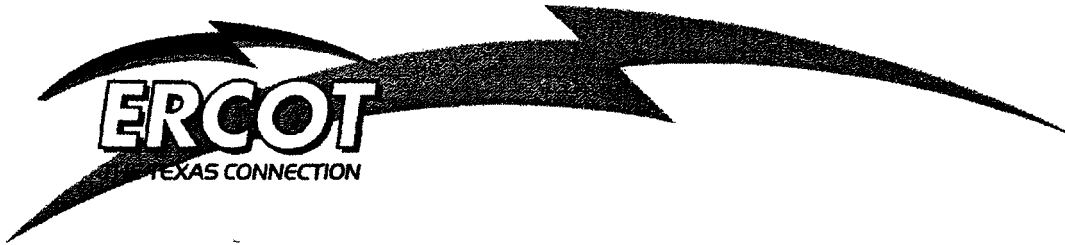
Version	Test Flight	Type	Start	End
1.5	0303	Interim	Feb-03	Mar-03
1.5	0703	Interim	Jul-03	Sep-03
1.6	1003	Certification	Oct-03	Nov-03
1.6	0104	Interim	Jan-04	Mar-04
2.0	0504	Certification	May-04	Jul-04

Version	Test Flight	Type	Start	End
1.3	1	Certification	Feb-01	Apr-01
1.3	3801	Interim	Jul-01	Sep-01
1.4	1001	Certification	Sep-01	Nov-01
1.4	0202	Interim	Feb-02	Apr-02
1.4	0702	Interim	Jul-02	Aug-02
1.5	0902	Certification	Sep-02	Nov-02

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July 28, 2004

Barry Howell
ENTERGY GULF STATES INC
919 Congress Suite 840
Austin, TX 78701

Dear Barry Howell:

On behalf of the Electric Reliability Council of Texas (ERCOT) and the Texas Test Planning Team (TTPT), we want to thank ENTERGY GULF STATES INC for participating in the ERCOT Retail Qualification Testing Process, and congratulate you on your successful qualification to participate in the ERCOT electric market, pursuant to ERCOT Protocols, Section 23.

ENTERGY GULF STATES INC (DUNS number 827438383) has successfully followed and completed the Retail Market retesting requirements as defined in the Texas Market Test Plan and qualified for the ERCOT EDI Interface(s) and ERCOT Market Portal with ERCOT and with the following trading partners in the Flight 0504 TX SET V2.0 business rules.

Trading Partners who have met all ERCOT registration requirements:

ANP POWER DIRECT COMPANY (LSE) - 125145693
APS ENERGY SERVICES CO. - 084611867
CALPINE POWER AMERICA LP - 1127108761000
CONOCOPHILLIPS COMPANY (LSE) - 001368265
CONSTELLATION NEWENERGY INC (LSE) - 8797234681000
CORAL POWER LLC (LSE) - 9375172661000
CORAL POWER LLC DBA CORAL POWER SOLUTIONS (LSE) - 9375172661100
CPL RETAIL ENERGY LP (LSE) - 017740544
CPL RETAIL ENERGY LP (LSE) POLR - 0177405441100
CPL RETAIL ENERGY LP DBA CPL - 0177405441200
WTU RETAIL ENERGY LP (LSE) - 017741294
WTU RETAIL ENERGY LP (LSE) POLR - 0177412941100
WTU RETAIL ENERGY LP DBA WTU - 0177412941200
DYNEGY ENERGY MARKETING LP - 009924445

AUSTIN
7620 Metro Center Drive
Austin, Texas 78744
Tel. 512.225.7000
Fax 512.225.7020

www.ercot.com

TAYLOR
2705 West Lake Drive
Taylor, Texas 76574
Tel. 512.248.3000
Fax 512.248.3095

ENERGY WEST LTD D/B/A FRANKLIN POWER COMPANY (LSE) - 124663951
ENERGY WEST DBA FIRE FLY POWERED BY FRANKLIN POWER (LSE) -
1246639511000
ENTERGY SOLUTIONS LTD - 007721512
MS RETAIL DEVELOPMENT CORP - 138129197
PEGASUS ALLIANCE CORPORATION DBA ONPAC ENERGY (LSE) - 136387466
RELIANT ENERGY RETAIL SERVICES LLC - 799530915
RELIANT ENERGY RETAIL SERVICES LLC POLR DIVISION - 029691099
RELIANT ENERGY SERVICES CHANNELVIEW LLC - 114743953
RELIANT ENERGY SOLUTIONS LLC - 616498114
RELIANT ENERGY SOLUTIONS LLC POLR DIVISION (LSE) - 029692659
TEXAS STAR ENERGY COMPANY LNR (LSE) - 037667420
TEXAS STAR ENERGY COMPANY - 799533091
SEMPRA ENERGY SOLUTIONS - 968254276
STRATEGIC ENERGY LLC (LSE) - 800770810
TENASKA POWER SERVICES CO (LSE) - 015016913
TENASKA POWER SERVICES CO DBA TPS I - 0150169131000
TENASKA POWER SERVICES CO DBA TPS II - 0150169131100
TENASKA POWER SERVICES CO DBA TPS III - 0150169131200
TENASKA-OXY POWER REP SERVICES LP - 109518444
TENASKA-OXY POWER REP SERVICES LP DBA TOPS I - 1095184441000
TRIEAGLE ENERGY LP (LSE) - 124769063
TXU ENERGY - 1733370281000
TXU ET SERVICES COMPANY (LSE) - 1733370281500
TXU SESCO ENERGY SERVICES COMPANY (SUBLSE) - 1733370281400
ASSURANCE ENERGY (TXU LARGE NONRESIDENTIAL POLR) - 1733370281300
ASSURANCE ENERGY (TXU RESIDENTIAL POLR) - 1733370281100
ASSURANCE ENERGY (TXU SMALL NONRESIDENTIAL POLR) -
1733370281200
UTILITY CHOICE LLC DBA UTILITY CHOICE ELECTRIC (LSE) - 834401601

Once again, thank you for your participation and congratulations.

Sincerely,

Raymond A. Giuliani, Jr.

Vice President and Chief of Market Operations

ERCOT

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November 30, 2001

Entergy Gulf States
Mr. Barry Howell
919 Congress, Suite 840
Austin, Texas 78701

Dear Mr. Howell:

On behalf of ERCOT and the Independent Third-Party Testing Administrator (ITPTA), we want to thank Entergy Gulf States for participating in the Retail Qualification testing process and congratulate you on your Qualification for Retail Open Access beginning January 1, 2002.

You have qualified for the ERCOT Market Portal and EDI interface(s) with ERCOT and with the following Competitive Retailer trading partners:

AEP POLR Power, LP
AEP Texas Commercial & Industrial Retail, LP
Coral Power
Dynergy Energy Marketing
Entergy Solutions
Entergy Solutions Essentials (POLR)
Expert Energy
Green Mountain
Mutual Energy POLR
NewPower
Tenaska Power Services
Texas Commercial Energy LLC
TXU ES
Utility Choice Electric

You have completed specialized Qualification testing for:

Specialized Certification	
X	Continuous Service Agreement (CSA)
X	Service Order Option 1
X	Provider of Last Resort (POLR)
X	Ad Hoc Historical Usage Requestor
X	Disconnecting Customers as a Large Commercial and Industrial CR

Austin

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EGSI TTC Cost Case

Taylor

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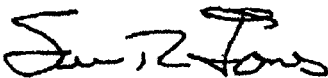
Taylor Texas 76574

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Your organization must re-qualify according to Texas Test Plan Team (TTPT) Re-Testing Guidelines if you change the processes or systems you use to interface with the marketplace. A copy of that guideline is attached for your reference.

Once again, thank you for your participation and congratulations.

Sincerely,



Sam R. Jones
Executive VP & COO
ERCOT



April 11, 2003

Barry Howell
ENTERGY GULF STATES INC
919 Congress Suite 840
Austin, TX 78701

Dear Barry Howell:

On behalf of the Electric Reliability Council of Texas (ERCOT) and the Texas Test Planning Team (TTPT), we want to thank ENTERGY GULF STATES INC for participating in the ERCOT Retail Qualification Testing Process, and congratulate you on your successful qualification to participate in the ERCOT electric market, pursuant to ERCOT Protocols, Section 23.

ENTERGY GULF STATES INC (DUNS number 827438383) has qualified for the ERCOT EDI Interface(s) and ERCOT Market Portal with ERCOT and with the following Competitive Retailer trading partners in the TX SET V1.5 business rules.

TDSP:

ENTERGY GULF STATES INC 827438383

CR Trading Partners:

ANP POWER DIRECT COMPANY (LSE)	125145693
CONSTELLATION NEWENERGY, INC (LSE)	8797234681000
BP ENERGY COMPANY (SUB-LSE-CNE)	8797234681100
CORAL POWER LLC (LSE)	9375172661000
DYNEGY ENERGY MARKETING LP	009924445
ENTERGY SOLUTIONS LTD	007721512
ENTERGY SOLUTIONS SELECT LTD AFFILIATED REP	0077215121200
ENTERGY SOLUTIONS ESSENTIALS LTD POLR	0077215121100
CPL RETAIL ENERGY LP (LSE)	017740544
MUTUAL ENERGY CPL LP (LSE) POLR	0177405441100
WTU RETAIL ENERGY LP (LSE)	017741294
MUTUAL ENERGY WTU LP (LSE) POLR	0177412941100
MUTUAL ENERGY SWEPKO LP (LSE)	017741575
MUTUAL ENERGY SWEPKO LP (LSE) POLR	0177415751100

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