

Section 6: Appendix (Supplemental Documents)

MARKET MONITORING/INVOLVEMENT: TRANSFER OF RESPONSIBILITY TO TEXAS JURISDICTION

RESOLUTION: (DECISION BY JOE DOMINO [EGSI] AT 4/3/02 EXECUTIVE DISCUSSION)

- *Transfer of market involvement/responsibilities for distribution to Texas Jurisdiction (Dunkleberger, Pierce, & Davis) by June. Exception being protocol collaborative support and load research/load profiling, which will be reviewed later.*
- *Develop high-level transition plan by 4/15/02.*
- *Does not include Retail support needs.*

GENERAL SCOPE:

Retail Market Monitoring and Market Involvement. Lead responsibility for Distribution representation at Retail Market Meetings, including RMS and associated sub-teams, etc. See additional information attached for preliminary list of areas of involvement.

CURRENTLY OUT-OF SCOPE:

Currently out of this scope but should be queued up for eventual transition:

- Support of the ETR Protocols Collaborative
- Representation in load research/ load profiling sub-teams and PUC projects

PURPOSE:

Transfer of this responsibility & market representation to Texas Jurisdictional team by target date of June 1, 2002. After that date, the CSS Market Mechanics will provide support as requested and authorized by Texas Jurisdiction.

TENTATIVE PLAN OF ACTION:

Develop high level transition plan by 4/12/02

- roles/responsibilities
- high level timeline for 6/1/02 completion
- Evaluate current level of involvement and determine future level of involvement on prioritized basis by 4/19/02.
- Develop internal/external implementation and communication plan for responsibility transfer and communication by 5/6/02
- Execution and completion of transition: May 1 – June 1

RETAIL MARKET TRANSACTIONS
PRIMARY MARKET PARTICIPATION AREAS/LIMITATIONS

Assumption is that Texas Jurisdiction will assume these roles/responsibilities 6/1/02.

RETAIL MARKET SUBCOMMITTEE (CURRENTLY ACTIVELY INVOLVED: BREAKFIELD, WALLACE)

SCOPE:

The Retail Market Subcommittee (RMS), reporting to the Technical Advisory Committee (TAC), serves as a forum for issue resolution in regards to retail market matters directly affecting ERCOT and ERCOT Protocols. The RMS will hear issues, prepare studies, entertain proposed solutions to retail market issues, research costs, and quantify benefits (when possible.) The RMS will also be responsible for monitoring Public Utility Commission (PUCT) rulings as they would apply to Retail Markets and Retail Market Participants and ensure that PUCT requirements are reflected in the Retail Operation Guides, Protocols, and TX SET. In their recommendations, the RMS will document justification for any changes to ERCOT systems, resources or procedures. Resolutions adopted by the RMS will be presented to the TAC for confirmation or approval.

The RMS is responsible for defining processes to address changes to the following functions:

- ☐ Retail transactions
- ☐ Load Profiling
- ☐ Competitive Metering
- ☐ Market Metrics

FREQUENCY OF MEETINGS:

The RMS meets a minimum of once per month in Austin, TX. However, since January, the RMS has been meeting bi-monthly in order to address the large number of issues hindering the market. These meetings generally are held from 8:30am – 4:30pm. Much time is dedicated towards articulating within Entergy upcoming issues, formulating an Entergy position, or defining issues to bring before RMS on Entergy's behalf and lobbying Entergy's position among market participants.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

50% of one FTE/Month

CRITICALITY OF PARTICIPATION:

Participation in this subcommittee is absolutely necessary in order to stay apprised of market activity and changes, and to influence the market to adopt decisions favorable to Entergy. Most Market Participants, especially the TDSPs, send two or more representatives to these meetings.

BENEFITS VS. RISKS TO PARTICIPATION:

With participation, Entergy had developed a level of respect amount other Market Participants, ERCOT, and attending PUC staff. As issues arise that impact the way we conduct business and the supporting transactions, we participate in the discussions and assist in the evaluations. As proposals surface that may have a negative impact on our systems/processes, we are in a position to raise our concerns. Conversely, we are in a position to influence market changes that will benefit the market as a whole as well as Entergy.

Our risks in not remaining actively involved in RMS is that we will be forced to merely accept what other Market Participants want without the opportunity to convince the market otherwise.

MARKET METRICS TEAM (JIM BREAKFIELD IS CO-CHAIR)**SCOPE:**

The Market Metrics Team develops future market “performance” measures. The market participants, PUCT and Legislative Oversight Committee staffs are beginning to incorporate the measures in their reports of market health. The PUC intends to incorporate the measures in participant performance measures and compliance. (example: % of switches completed on-time, etc). The Market Metrics Team maintains a web site on which the results of sample data is posted. Volumetric data is the next objective.

FREQUENCY OF MEETINGS:

Market Metrics meets once a month. As vice chair Breakfield works with the chairman to develop monthly presentations to RMS and works with PUCT staff in monitoring market performance.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

30% of 1FTE/Month until all measures developed then 15% of 1 FTE/Month.

CRITICALITY OF PARTICIPATION:

Participation on this team is desirable, but not critical.

BENEFITS VS. RISKS TO PARTICIPATION:

By participating in the Market Metrics Team, Entergy has a voice in the measures that will be used to determine the level of success of the market in general and the performance of individual Market Participants for review by the PUCT. Without such participation, Entergy will have to accept the performance measures as developed by other market participants.

In addition, as vice chair, participate in RMS leadership meetings that address such topics as agenda for RMS meetings, RMS positions going into meetings where collaborative input is not feasible.

AD HOC TDSP TEAM (BREAKFIELD)

SCOPE:

The TDSP Team has responsibility for developing common TDSP solutions to market processing problems, such as the same day move-in. This team develops and advocates the TDSP roles/responsibilities in the market.

FREQUENCY OF MEETINGS:

Meetings are called on an as-needed basis. Generally, this team meets at least once per month prior to the RMS meeting or directly thereafter. Locations vary between Austin, Dallas, and Houston.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

15% of one FTE/Month

CRITICALITY OF PARTICIPATION:

As this is a coalition of all TDSPs in the Texas Market, participation in the workgroup is considered critical.

BENEFITS VS. RISKS TO PARTICIPATION:

By participating in this workgroup, Entergy demonstrates its interest in supporting the common good of all Texas TDSPs. Additionally, Entergy can assure that processes are developed with input regarding the way we conduct business. Without such participation, any unique business practices exercised by Entergy will go unrecognized in the development of Texas-wide business practices.

AD HOC ERCOT TECHNICAL TEAM (WALLACE)

SCOPE:

The ERCOT Technical Team has responsibility for reviewing the current processing of EDI transactions in the production market. ERCOT provides a report of their transaction through-put, and each Market Participant reports any specific problems they are experiencing. Specific transaction tracking activities are discussed, system upgrades and/or outages are reported, and system fixes are outlined.

FREQUENCY OF MEETINGS:

Meetings take place via conference calls every Monday and Wednesday at 2:00, and take an average of 45 minutes each. Additional calls are scheduled on an as-needed basis.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

10% of one FTE/Month

CRITICALITY OF PARTICIPATION:

Participation is mandatory for all Market Participants. Roll is called. The PUCT also has staff monitoring the call.

BENEFITS VS. RISKS TO PARTICIPATION:

As Entergy provides transactions to the market (as we currently are in the form of Account Maintenance transactions to ERCOT) we must report any unexpected results and large data uploads. As Entergy activity with CRs begins, all through-puts are discussed when problems arise. Participation on this call is required, so the risk of not attending would be an unfavorable position with the PUCT.

MARKET TEST TEAM (WALLACE)

SCOPE:

The Market Test Team has responsibility developing the testing strategies, testing requirements, and testing schedules for market participant testing. The Test Team develops the testing scripts for testing new and revised transactions.

FREQUENCY OF MEETINGS:

Meetings take place for two days once a month, usually in Austin, TX. There are a number of subcommittees that are formed on an ad hoc basis, depending on the testing requirements in the near future.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

20% of one FTE/Month

CRITICALITY OF PARTICIPATION:

Participation is desirable but not mandatory.

BENEFITS VS. RISKS TO PARTICIPATION:

By actively participating in the development of the testing strategies and scripting, Entergy can assure that core business processes are tested in the most economical manner and that the true functionality is tested. Entergy benefits from involvement with the Test Team by developing testing strategies that both prove viability in processing the market transactions, yet demand a minimal cost to the Market Participants. The risk of not participating is having to participate in costly, inefficient testing plans.

MARKET FAST-TRACK RESOLUTION PROCESS (BREAKFIELD, WALLACE, MANASCO)

SCOPE:

Recently established by the market to facilitate and expedite problem resolution between market participants, each participant is required to have one business, one technical, and one "executive contact". These contacts are to be used in the escalation process as issues arise in the market that impact Entergy.

FREQUENCY OF MEETINGS:

Current activity is minimal until we have a CR active in our service area.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

Current activity is minimal until we have a CR active in our service area.

CRITICALITY OF PARTICIPATION:

Participation on this activity is mandatory.

BENEFITS VS. RISKS TO PARTICIPATION:

The benefits of this activity are to ensure that the appropriate level of responsiveness and effort is given to issue resolution.

SET TEAM (WALLACE, ROBESON [contractor])

SCOPE:

TX SET develops the standard electronic data transaction set implementation guides, protocols, principles and procedures that enable and facilitate the processes of Customer Choice. As market rules are revisited and revised, the SET Team ensures that the EDI transactions meet the requirements of the business process and still adhere to ANSI Standards and UIG (Utility Industry Group) Guidelines.

FREQUENCY OF MEETINGS:

The SET Team Meets for two days at least once a month, usually in Austin. Additionally, SET has weekly change control conference calls, which occur every Friday from 10:00 am -11:30am.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

75% of one FTE/Month

CRITICALITY OF PARTICIPATION:

Participation on the SET team is highly desirable, but not mandatory.

BENEFITS VS. RISKS TO PARTICIPATION:

Benefits of participating in the SET Team is in seeing that market transactions are developed/designed with minimal impact to Entergy's systems and our existing VeriTRAN interfaces. The risks associated with not participating include having to accept the transactions as they are written without any input.

AD HOC WORKGROUPS (BREAKFIELD, WALLACE, ROBESON)

SCOPE:

Various issues created at RMS are delegated to special workgroups for resolution. These ad hoc workgroups require participation from all impacted participants for a one-to-two-month timeframe. For example, the safety net move-in process was created in February and implemented in March.

FREQUENCY OF MEETINGS:

Varies – two to 10 days during a month, usually in Austin.

ESTIMATED CURRENT LEVEL OF PARTICIPATION:

Levelized at 10% of one FTE/Month

CRITICALITY OF PARTICIPATION:

Participation dependent on criticality of issue to Entergy.

BENEFITS VS. RISKS TO PARTICIPATION:

Benefit of participating is that Entergy can have a voice in the final solution. PUCT is not responsive to market participants that do not participate in collaboratives.

COMMITTEE CONTACTS:

RMS:

Chair – Don Bender, AEP

RMS Distribution List: Send email to postmaster@ercot.com requesting inclusion in the RMS Distribution list.

MARKET METRICS TEAM:

Chair – Kyle Patrick, Reliant Retail

AD HOC TDSP TEAM:

Participants:

Tommy Weathersbee, Oncor

Don Bender, AEP

Susan Neel, Reliant

Allan Burke, TNMP

AD HOC ERCOT TECHNICAL TEAM:

Chair – Paul McKinney, Oncor

MARKET TEST TEAM:

Chair – Debbie McKeever, Oncor

Test Team Distribution List: Send email to postmaster@ercot.com requesting inclusion in the Test Team Distribution list.

MARKET FAST-TRACK RESOLUTION PROCESS:

TBD

SET TEAM:

Chair – Susan Neel, Reliant

ENTERGY SERVICES, INC.

**REQUEST FOR PROPOSAL
FOR
TEXAS RETAIL OPEN ACCESS
SYSTEMS UPGRADE**

RFP NO. 00000051

February 14, 2003

Statement of Confidentiality:

The information contained in this document is confidential to Entergy Services, Inc. It may not be disclosed, duplicated, or used for any purpose, in whole or in part, without the prior written consent of Entergy Services, Inc.

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INSTRUCTIONS TO BIDDERS**1.0 CONTRACTOR'S LICENSE**

The winning bidder will not be required to furnish a contractor's license to perform work hereunder.

2.0 PROPOSAL

Proposal will not be considered unless it consists of the accompanying Bid and Bid Schedule forms properly completed. Bidder's proposal will not be considered unless all items in the Proposal Form are completely filled out.

3.0 PRICE INFORMATION

Only the base price shall appear where specified in the Bid Schedule. Other price information, such as options and alternatives, shall be given as a price addition to or deduction from the base price, or options shall be submitted as attachments to the Bid Schedule. Price information shall not be included in proposal transmittal letter or in the Bidder's technical or other non-priced data. Alternate proposals may be submitted and will be considered by Entergy Services, Inc. provided the Bidder has first submitted a proposal in full accordance with the specifications as furnished by Entergy Services, Inc.

4.0 COMPLETENESS OF PROPOSAL

Bidder's proposal shall be complete in order to avoid extras to the Contract Price. Bidder shall include in his bid all work which is indicated in the Bid Documents and which is normally considered part of the type of work covered by the Bid Documents, whether or not such work is fully detailed in the Bid Documents.

5.0 BID DOCUMENTS

Bid documents includes, but not necessarily limited to, the following:

- A. RFP Cover Letter
- B. Instructions to Bidders and Statement of Work
- C. Entergy's Proposal Form, including Bidder's Certification and Bid Schedule
- D. Other related documents as referenced in any special instructions or cover letter

Any contract resulting from these Bid Documents will incorporate the terms and conditions of these documents and shall prevail over conflicting provisions of Bidder's proposal. Any exceptions to these Bid Documents must be listed and specifically identified as Exception in Bid. Bidder's printed terms and conditions are not considered specific exceptions.

6.0 ADDENDA DURING BIDDING

Any additional information required by the Bidders, revisions in the work, changes or additions, discrepancies in the bidding documents, or clarifications will be in the form of addenda written and issued to all Bidders. Any addenda issued to Bidders shall be acknowledged in proposal when submitting bid.

7.0 BIDDER'S RESPONSIBILITY

It is the Bidder's responsibility to gather and dispense all information to his subbidders regarding the provisions of the Bid Documents and any other information a subbidder may require to prepare his bid(s).

Contract between subbidders and Entergy Services, Inc. shall be only through the Bidder, and Bidder shall so inform his subbidders.

8.0 PROPOSAL DISTRIBUTION

Distribution of request documents and receipt of vendor questions and responses will take place through the web-based Pantellos RFx Management application. All matters pertaining to submission of a proposal should be addressed to:

Keith D Wood, L-ENT-5B
Entergy Services, Inc.
639 Loyola Avenue 70113
P.O. Box 61000
New Orleans, LA 70161
Telephone: (504) 576-2618
Kwood@entergy.com

In addition to the bid package that will be posted electronically on the Pantellos website, Bidders are required to furnish Six (6) written proposal copies to Keith Wood at the address shown above. **All copies of Bidder's Proposal shall be enclosed in a sealed envelope, marked "Request For Proposal" in the lower left-hand corner, with reference made to the RFP Number, 00000051, and delivered by 2:00 p.m. CST on March 7, 2003.**

In addition, the envelope should bear on the outside the name and address of the Bidder. Any proposal received after the time and date specified above will not be considered.

Any price or technical data submitted subsequent to the original proposal shall state the reason for the revision, be submitted in the same number of copies as the original proposal, and be mailed or delivered as indicated above.

9.0 PERFORMANCE SCHEDULE

Bidder shall recognize and comply with the following deadlines:

RFP Issued	February 14, 2003
Proposal Due Date	March 7, 2003

Bidder Conferences—We are intending to schedule individual conferences with each bidder for the week of February 24th. We will contact each bidder individually to arrange these meetings. No pre-bid conference call is scheduled at this time. Should we determine there is a need for such a call, we will schedule accordingly with all bidders.

Bidder Questions--Bidders are permitted to submit questions in writing through the Pantellos website, subject to the following conditions:

1. All questions **must** be submitted as “public” questions through the RFX management tool, so that all bidders will be privy to the same information throughout the bidding process. Any questions submitted as “private” will not be answered; and
2. Because of the short time period between the issue date and the proposal due date, questions should be submitted as soon as possible to give Entergy an opportunity to respond. Entergy cannot guarantee that questions submitted close to the proposal due date will be answered.

10.0 PROPOSAL REQUIREMENTS

Each Bidder is responsible for being thoroughly familiar with all documents contained herein.

Selected Bidder will be required to enforce safety, security, and fitness-for-duty procedures while Bidder, its employees, agents, representatives and/or subbidders are on Entergy premises.

11.0 RETURN OF CONTRACT DOCUMENTS

All Contract Documents shall be returned to Keith Wood at the address noted above whether or not a bid is submitted.

12.0 RIGHT TO ACCEPT OR REJECT

Entergy Services, Inc. may waive any informalities or minor defects in proposals. The right is reserved to reject any or all proposals or any portion thereof for any reason or for no reason at all at any point prior to the written execution of the Agreement referred to herein. Neither receipt of proposal nor failure to reject proposal shall impose any legal obligation on Entergy Services, Inc. No bidder may withdraw a proposal within 60 days after the date of actual opening.

13.0 ENTERGY SERVICES, INC. POLICIES AND PROCEDURES

The Contractor shall comply with those Entergy Services, Inc. policies and procedures which apply to the services to be provided hereunder and which are specifically set forth in the Agreement attached hereto and made a part hereof.

14.0 ALTERNATE BIDS

Bidder may, and is encouraged to, submit an alternate bid whenever an alternate approach or design is thought to be in the Owner's best interest. Bidder must submit a proposal in full accordance with the specifications furnished by Owner in order to have his alternate bid considered. Such options or alternates shall be presented as a price addition or deduction from the base price given on the Proposal Form, unless prior written notice has been received from the Procurement Specialist. Please include the following with any alternate bid submitted:

1. A clear description of the change in design or work scope as specified, and
2. The benefits to be realized from said change.

COMPLETE AND RETURN THIS SHEET

ENTERGY'S PROPOSAL FORM

RFP NUMBER: 00000051

PROPOSAL FOR Texas Retail Open Access Systems Upgrade

DATE OF PROPOSAL: _____

Proposal of _____ (hereinafter called "Bidder")
organized and existing under the laws of the State of _____ doing
business as a _____ (corporation, partnership or sole proprietorship), to Entergy
Services, Inc.

In submitting this proposal, the undersigned, as Bidder, declares that the only persons or parties interested in this Proposal as principals are those named herein; that he or she has carefully examined the Bid Documents therein referred to, and has carefully examined and is aware of and satisfied with the locations and condition of the site, supply sources, types of materials, and scope of the proposed work.

Bidder further agrees that he will provide all necessary labor, materials, machinery, tools, equipment and other facilities, and will perform or cause to be performed all activities necessary or incidental to the performance of work herein called for, complete in every respect, in strict compliance with the Contract Documents. Also, he agrees to accept as full compensation only the prices named in the following Bid Schedule unless otherwise provided in the Contract.

Bidder acknowledges Entergy Services, Inc.'s schedule and hereby agrees to commence work under this Contract on or before **April 1, 2003**.

Bidder acknowledges that Entergy Services, Inc. reserves the right to reject any and all bids or proposals or any part thereof for any reason or for no reason at all at any point prior to the execution of the Agreement.

Bidder: _____

By: _____

Name & Title: _____

Date: _____

COMPLETE AND RETURN THIS SHEET

BIDDER'S CERTIFICATION

RFP NUMBER: 000000051

PROPOSAL FOR Texas Retail Open Access Systems Upgrade

Bidder certifies that he agrees to all provisions of the Bid Documents including, but not limited to, Instructions to Bidders, Entergy's Proposal Form, Bid Schedule, and other related documents as referenced in any special instructions or cover letter, except as specifically listed below:

Bidder: _____

By: _____

Name & Title: _____

Date: _____

COMPLETE AND RETURN THIS SHEET

BID SCHEDULE

RFP NUMBER: 000000051

PROPOSAL FOR Texas Retail Open Access Systems Upgrade

Bidder agrees to perform all the work described in the Contract Documents for the following price. Proposals shall include all applicable taxes, permits and fees. Bidder shall define the number and type of resources to be provided.

1. Base Bid for Texas Retail Open Access Systems Upgrade \$ _____
2. Optional Bid for Texas Retail Open Access Systems Upgrade \$ _____

Respectfully submitted:

Bidder: _____

By: _____

Name & Title: _____

Date: _____

EXHIBIT A-STATEMENT OF WORK

ENTERGY TEXAS DISTRIBUTION RETAIL OPEN ACCESS SYSTEMS UPGRADE

1.0 Summary /Background

Customer Choice

Retail Customer Choice was intended to become effective in the Entergy Service Area of Texas on January 1, 2002, preceded by a pilot beginning June 1, 2001. Due to certain issues relative to wholesale market operations in areas of Texas not within the ERCOT Region, Customer Choice has been delayed in the Entergy Service Area. The pilot remains in effect, without participation however.

Entergy Service Area

Within the Entergy Service Area, Customer Choice has been delayed and is now proposed to be introduced beginning January 1, 2004, with active pilot participation in the Entergy Service Area beginning approximately June 1, 2003.

In preparation for the original customer-choice implementation date of January 1, 2002, Entergy Distribution began in 2000 to prepare for Customer Choice in its Texas service area. This effort included:

- ❖ The procurement of a service provider (VeriTRAN) for retail market transactions.
- ❖ Internal development of systems/interfaces to support retail market transactions compliant with EDI standards specified in ERCOT Protocol 19, Standard Electronic Transactions (SET)
- ❖ Procurement and installation of a data aggregation system (EV2K) to provide aggregated load data for wholesale market purposes
- ❖ Modification and development of necessary internal systems/interfaces to support retail and wholesale market protocols as developed and proposed, for the Entergy Service Area of Texas (ESAT Protocols).

Overall Project Scope Structure

This overall effort is now generally described as a four-phase project to equip and prepare Entergy's Texas Distribution (ETD) company for Customer Choice and the implementation of customer choice. The four phases of the overall project are generally described as follows:

❖ Phase I

Implementation of SET Version 1.3 for the customer choice pilot, which began about June 1, 2001. This phase was completed and ETD has been in pilot-mode since the beginning of the Customer Choice pilot. To date, no Retailers/customers have participated in the pilot in the Entergy Service area.

Implementation of a load profiling/data aggregation system (EV2K) for provision of market settlement data. This phase is completed.

❖ Phase II

Upgrade of systems to SET Version 1.4. This phase was partially completed in early 2002. Completion of phase II work requires additional development of certain internal systems/interfaces inclusive of Entergy's new Customer Care System (SAP) that is replacing

Entergy's current legacy Customer Information System (CIS) throughout Entergy's multi-state jurisdictions.

❖ **Phase III**

Upgrade of systems from SET 1.4 to SET 1.5 with market implementation date of April 2003. No internal work has been completed in this phase. ETD's service provider (VeriTRAN) is completing work to be SET 1.5 compatible at the required market implementation date.

❖ **Phase IV**

This phase implements customer choice in the ETD's service inclusive of the conversion of customer information from ETR's legacy CIS to ETD's new CCS as well as supporting the conversion of certain customer information to ETD's Retail Affiliate Co.

Additional requirements impacting EV2K for full customer choice were defined during the Entergy protocol collaborative process. These additional requirements, specified in the proposed ESAT Protocols will be also implemented during Phase IV.

2.0 Scope Requirements

The scope of this work includes the development and delivery of the IT solution(s) within specific technical bounds to complete Phase II, Phase III, and Phase IV, inclusive of the overall program/project management of this project.

Primary requirements for the IT solution(s) are the Entergy Service Area of Texas (ESAT) Protocols which specify the market rules, transactions, and communication protocols the IT solution(s) must support.

Alternate Solution(s)

Given certain known constraints, alternate solutions and/or work-arounds may, and if necessary must, be implemented to meet specified "date-certain" delivery dates.

Delivery Date(s)

- ❖ Solution(s) for active pilot participation: **May 15, 2003.**
- ❖ Solution(s) and conversion for Customer Choice: **January 1, 2004.** Currently date-certain, although could change because of Texas Public Utility Commission regulatory action.

3.0 Scope Details

Completion of Phase II

The extent of completion and remaining work for the Customer Care Systems is specified, by transaction type, in Appendix C. The extent of completion and remaining work for the internal market transaction system(s), (market mechanics) is specified, by transaction type, in Appendix A, with a summary of major work components summarized as follows:

- ❖ Changes to the EAI Adapters and CCS will be required
 - This will required changes for Texas SET 1.4 which were not implemented
- ❖ Changes within CCS will be required
 - This will require changes for Texas SET 1.4 which were not implemented

- Service Order processing to accept service orders at the call center

Implementation of Phase III

SET 1.5 for Distribution. Work-arounds if not achievable by 4/11/03.

The following changes have been identified as being required to support SET 1.5:

- ❖ CCB 64 - Development of the 814_28 transactions to indicate that a move-in/move-out cannot be completed because a permit is required or is otherwise un-executable. Manual workaround is available for a move-out during pilot.
- ❖ CCB 384 - Adding the ability to take in the name and telephone number when a CR sends a move-in or switch request. Manual workaround is available for switches during pilot.
- ❖ Adding an indicator for Drop to AREP, which will also require concurrent processing. CCS must be able to manage a switch and a Drop to AREP at the same time. Manual workaround is available for pilot.
- ❖ Adding a code to indicate that the Current CR is going to pay for the off-cycle switch. Manual workaround is available for pilot.
- ❖ Adding a start meter read value for KVA for non-IDR meters. No manual workaround from within Entergy. VeriTRAN must modify their code to a default value of "0" for the start read during pilot.
- ❖ Billing Expert must be configured to allow switches, move-in and move-outs to occur at midnight for IDR meters. During pilot, ETD will not support this requirement. Therefore, no workaround is needed for pilot.
- ❖ Service Orders to support disconnect/reconnect for non-pay and meter re-reads must be developed. Manual workarounds must be developed.
- ❖ Market Mechanics Application and the interface with VeriTRAN
 - Upgrade from TX SET version 1.4 to 1.5. It is anticipated that the VFF file structure will not change. There will be some changes to existing transaction and two new transactions will be added. (Phase III)
- ❖ Changes to the Market Mechanics system and the EAI Adapters will be required
 - Upgrade from TX SET version 1.4 to 1.5. There will be some changes to existing canonicals and two new transactions will be added.
- ❖ Changes to the EAI Adapters and CCS will be required
 - Upgrade from TX SET version 1.4 to 1.5. There will be some changes to existing IDOCS and two new transactions will be added.
 - Upgrade from TX SET version 1.4 to 1.5. There will be some changes to existing IDOCS and two new transactions will be added
- ❖ Changes to the MMDA database are required to:
 - Store new transactions associated with Texas SET 1.5.
 - The MMDA will also need to be updated to incorporate changes to existing transactions resulting from TX SET 1.5.

Phase IV

CIS to CCS Conversion

Remaining developmental work in CCS to prepare for conversion from legacy CIS.

Conversion to Customer Choice

Conversion of necessary customer information from legacy CIS to ETD's CCS, and support of data conversion from legacy CIS to ETD's retail affiliate as specified under Customer Choice market rules. This component also includes post-conversion support for 30 days.

Out of Scope Item

Certain market rules/requirements will not be implemented at Customer Choice in ESAT and are not included within the scope of this contract. These items will be implemented at some time after Customer Choice begins:

- ❖ Electronic Outage Reporting (Will be implemented post-ROA)
- ❖ Retail load-splitting specified in ESAT Protocols
- ❖ Competitive Metering requirements currently under development in the Texas market

These additional market rules/requirements will not be implemented for the scope of the active pilot delivery date, but would be implemented for Customer Choice:

- ❖ The 814_PA and 814_PB transactions that were used in the "general" pilot will NOT be used in ETD's extended pilot.
- ❖ Development of additional reports in the Data Aggregation System, EV2K, as result of Entergy Protocol Collaborative:
 - Aggregated Load before losses applied by CR, Profile Type
 - Aggregated load by CR by Profile Type by Voltage class before/after loss adjustment
 - Aggregated load by CR by Profile Type for Transmission Authority by Voltage class after loss adjustment
 - Total ESAT Load by Profile Type before/after adjustments for losses
 - The CR's ESI ID count by Profile Type
 - The CR's ESI ID count by voltage class
 - Total ESAT ESI ID count by Profile Type
 - Total ESAT ESI ID count by voltage class
 - Back-casted weather-adjusted profile data each day for the settlement day; post to website.
 - Report of the proxy day data used to estimate missing IDR data for ESI IDs with IDRs; post to website
 - Report of the proxy day used for the missing IDR data by weather sensitive and non-weather sensitive categories; post to website
 - Create report/post each ESI ID (with customer identifiers such as profile type, voltage code, meter type code, etc) used in the aggregation for each CR. Post for every settlement day.
- ❖ Internal changes in EV2K system for profile naming convention.

4.0 Technical Discussion

Transaction Processing

VeriTRAN serves as Entergy's interface to the Texas Market. In addition to sending and receiving transactions, VeriTRAN also manages a subset of Entergy's ESI ID data so that it can respond to some transactions on Entergy's behalf without sending a request and waiting for a response from Entergy's back-end systems.

When VeriTRAN receives an EDI market transaction either from ERCOT or the CR, the transaction is validated that it meets ANSI and Texas SET standards. The EDI transaction is then converted to XML so that it can be loaded into the VeriTRAN Database. From the VeriTRAN database, a client side (VeriTRAN to Entergy) XML transaction is generated. This XML transaction is then written to a generic file structure (VFF) based on key information Entergy defined as being required from the market for Entergy's back-end system.

After the VFF is generated, the file is FTP'd to Entergy where it is processed by the Market Mechanics application. Market Mechanics processes the transaction and sends it to the Market Mechanics Database (MMDA). Market Mechanics sends the data through the EAI Adapters, which may result in more than one transaction being published to the EAI Broker. Once the transaction is published there are EAI adapters on the other of the EAI Broker, which pull the canonicals and creates transaction(s) for their systems using the canonical. In the case of CCS the information in the canonical is used to create IDOCs. Various applications including CCS, EV2K, AM/FM System and Billing Expert then subscribe to the transaction(s). If one of these systems subscribe to a type of transaction, the application will retrieve the transactions from the EAI layer and use the applicable information within their system. Once a transaction is processed, a response from Entergy may be required. An example of this is an off-cycle switch request. In this example, CCS will create an IDOC, a canonical will be published to the EAI, Market Mechanics will subscribe to the transaction, and the reverse flow of the transaction will continue to VeriTRAN back out to the market.

For additional detail associated to migrating from Texas SET 1.4 to Texas SET 1.5 refer to Appendix A. For a view of the technical architecture, refer to Appendix B.

Load Profiling and Data Aggregation

Energy Vision 2000 (EV2K, a software product from ICF Consulting) is a system for load profile development and daily data aggregation processing. EV2K requires data feed from Entergy systems for customer identification (ESI-ID, competitive retailer assignment, substation data, voltage class, etc), monthly meter consumption data, interval data recorder (IDR) data, and interval weather data. Legacy systems involved are CIS/CCS, MV90 and Billing Expert, along with an outside vendor for weather data. Data feeds from legacy systems flow through the EAI layer to EV2K.

EV2K processes data received to create hourly aggregated files on a daily basis. The processing includes estimating hourly loads using a weather-adjusted load profile for customers with no IDR, utilizing IDR data for customers with IDRs, sorting/summing all hourly loads by voltage class/competitive retailer/weather zone/UFE zone, applying line losses and creating output files of data.

Hourly aggregated files are output for each competitive retailer in ESAT's territory for the market settlement day. The output data are also provided to the Transmission Authority or settlement agent for use in the financial settlement of the market.

5.0 Overall Project Approach

Due to certain regulatory issues, it is anticipated that this project will begin prior to final approval to implement Customer Choice in the Entergy Service Area. Given this uncertainty, the overall project approach, and vendor proposal, should include the following major considerations:

- ❖ A "back-end loaded" project approach for "just-in-time" delivery, within acceptable risk parameters, to minimize cost expenditures until final Commission approval.
- ❖ Approach "exit" strategies that minimize costs, if during the course of the project, Customer Choice within the Entergy Service areas is delayed and/or terminated.

6.0 Constraints

This project will be constrained by these major factors:

For Customer Choice Implementation: (Subject to the outcome of certain regulatory proceedings currently before the Public Utility Commission of Texas.)

- ❖ Date-certain delivery of overall project.
- ❖ January 1, 2004 is a fixed date at which functioning solutions delivery for customer choice must occur.
- ❖ Compressed schedule
- ❖ Estimated project start is not before April 1, 2003 with a date certain delivery of January 1, 2004.

For active pilot participation:

- ❖ Active pilot participation must be supported by May 15, 2003.
- ❖ Retail market is implementing SET Version 1.5 April 11, 2003 (market testing began in February)
- ❖ Estimated project start date, including completion of Phase II is estimated to start not before April 1, 2003.

Other Entergy Projects:

- ❖ Implementation of new Customer Care System (CCS) in the MS and LA jurisdictions.
This project must run parallel and in concert with the existing project to convert the MS and LA jurisdictions from Entergy's legacy CIS to the CCS system, with the LA conversion scheduled to complete in October of 2003.
- ❖ Implementation of Project Novo.
This internal project is replacing certain financial-related existing Entergy systems that interface with Entergy's legacy CIS and new CCS system being implemented.
- ❖ Upgrade of WebMethods to Version 6.0.
This internal project to upgrade WebMethods from 4.1.1 to Version 6.0 is anticipated to occur in the 2nd quarter of 2003.

Entergy Resources:

The availability and timing of Entergy business and technical resources will be constrained due to other projects currently in progress within Entergy.

7.0 Entergy's Expectations of its Vendor

Knowledge/Capability/Experience

Vendor must have demonstrable knowledge, capabilities, and experience in the following specific areas:

- ❖ Program/project management
- ❖ Ability and adaptability to work in concert with other on-going projects.
- ❖ Knowledge and understand of the Texas Customer Choice retail market rules, requirements, protocols, and transactions, with specific detailed knowledge and experience with Texas SET protocols.
- ❖ Implementation and configuration of SAP version 4.6.2 (CCS), 4.6.C (R/3)
- ❖ Web Method's Active Works version 4.1.1.
- ❖ Load profiling/data aggregation vendors must have statistical and load research expertise along with knowledge and understanding of the Texas Customer Choice retail market rules, requirements and protocols.

Cost Estimation / Management / Mitigation

Vendor must have demonstrable knowledge, capabilities, and experience in:

- ❖ Accurate estimation of total project costs, inclusive of needed resources from other entities necessary for project completion.
- ❖ Management of project costs and schedules and well as cost mitigation strategies.

Vendor Proposals

Costs

- ❖ Vendor proposals based on open-ended time and material contracts will not be accepted.
- ❖ To the extent possible, vendor costs should be firm or capped-price based and should address date-certain guarantees along with risk/reward proposals.
- ❖ Proposal should include an estimate of the total project cost to Entergy in addition to the vendors cost proposal.

Assumptions

For each assumption on which the vendor's proposal is contingent, the vendor should discuss the following:

- ❖ the probability that the assumption is true
- ❖ The estimated impact to the project deliverables and costs if the assumption is subsequently proven untrue.

Risks

Vendor proposals should identify and discuss, inclusive of mitigation, the key risk areas perceived to be associated with this project.

APPENDIX A**Open SET 1.4 Items and Changes Required for SET 1.5**

Business Event	Transaction Alias	CCB	TX SET	Category	CHANGE
Account Maintenance	CHANGE		2002-258	1.5	Add Medical Condition Status Indicator No change.
Account Maintenance	CHANGE				In Receiving ID add detail that CR DUNS number is not required if ESI-ID does not have a CR of Record. No change.
Account Maintenance	CHANGE	341	2001-219	Doc Enhance	Add note that Entergy will not identify an ESI-ID as having a Temporary Meter. No change.
Billing	IVCHCL		2002-301	1.5	Add DSC005 for State College and University Discount to Charge Allowance Type. Not using this code. No change.
Billing	IVCHNF		2002-301	1.5	Add DSC005 for State College and University Discount to Charge Allowance Type. Not using this code. No change.
Billing	IVFCCL		2002-301	1.5	Add DSC005 for State College and University Discount to Charge Allowance Type. Not using this code. No change.
Billing	IVFCNF		2002-301	1.5	Add DSC005 for State College and University Discount to Charge Allowance Type. Not using this code. No change.
Customer Contact	CSCNNF		2002-259	1.5	Medical Condition Status Indicator – Eliminate “I” from valid values At some point want to update transaction based on VFF structure to allow for Primary Contact and Secondary Contact. Not using this code. No change.
Enrollment	COUHNH			N/A	No Change
Enrollment	COUHRQ			N/A	No Change for now. There is a pending PRR, which may require a modification to the rules for accepting or rejecting an Ad Hoc Usage Request. No Change.
Enrollment	CTPRNF	64	2002-248	1.5	New Transaction - Connect Turn-on Permit Required Notification (New transactions for 814_28) Manual workaround for Pilot. Must be automated for ROA.
Enrollment	CTTOCL		2002-237	1.5	Add PNR Permit Not Received to Accept/Reject Message Text. No change.
Enrollment	CTTOCM			N/A	No Change
Enrollment	CTTORJ			N/A	No Change
Enrollment	CTTORQ	384	2002-257	1.5	Add the following optional fields to transaction: Contact Customer Name This field is required. Manual workaround required to add name. Customer Contact Method Type (will always be TE) N/A Customer Contact Phone Number This field is optional. Manual workaround required to add phone number. Due to volume process will need to be automated for ROA.
Enrollment	CTTORQ		2002-304	Doc Enhance	Add note that VeriTRAN will perform validations for Not First In and Duplicate Request Received when it receives and 814_03. No Impact to ETR.
Enrollment	CTTORS		2002-249	Doc Enhance	Add a note in the CTTORS that states VeriTRAN will automatically echo back the date provided on the 814_12 when responding with and 814_13. This is a VeriTRAN issue only and no internal workaround is possible for Pilot. Must be automated for ROA.
Enrollment	CTTOSH		2001-161	Doc Enhance	Add note that VeriTRAN will populate the Premise Type based on information contained in the VeriTRAN Registration Database. No Change.
Enrollment	MIMOCU	64	2002-248	1.5	New Transaction - Move-In Move Out Complete Unexecutable (New transaction for 814_28) Manual process must be developed for pilot, but automation is necessary for ROA.
Enrollment	SCAVCL			N/A	No Change
Enrollment	SCAVCM			N/A	No Change
Enrollment	SCAVRQ	384	2002-257	1.5	Add the following required fields to transaction: Contact Customer Name This field is required. Manual workaround required to add name. Customer Contact Method Type (will always be TE). N/A Customer Contact Phone Number This field is optional. Manual workaround required to a phone number. Due to volume process will need to be automated for ROA.
Enrollment	SCAVRQ		2002-304	Doc Enhance	Add note that VeriTRAN will perform validations for Not First In and Duplicate Request Received when it receives and 814_03. No change.
Enrollment	SCAVRQ		2002-???	1.5	Add indicator for Drop to AREP, which will also require concurrent processing by Entergy. CCS could have a switch and drop to AREP at the same time. Manual process required.
Enrollment	SCSACM			N/A	No Change
Enrollment	SCSARQ	384	2002-257	1.5	Add the following required fields to transaction: Contact Customer Name This field is required. Manual workaround

APPENDIX A **Open SET 1.4 Items and Changes Required for SET 1.5**

Business Event	Transaction Alias	CCB	TX SET	Category	CHANGE
					<p>required to add name. Customer Contact Method Type (will always be TE) N/A Customer Contact Phone Number This field is optional. Manual workaround required to add phone number.</p> <p>Due to volume process will need to be automated for ROA.</p>
Enrollment	SCSARQ		2002-304	Doc Enhance	Add note that VeriTRAN will perform validations for Not First In and Duplicate Request Received when it receives and 814 03. No change.
Enrollment	SCSARQ		2002-???	1.5	Add indicator for Drop to AREP, which will also require concurrent processing by Entergy. CCS could have a switch and drop to AREP at the same time. Manual process required.
Enrollment	SCSARQ		2003-410	1.5	Add code to indicate the Current CR is going to pay for the off-cycle switch request. Can be worked manually for pilot using the Drop to TDSP process. Requires automation for ROA.
Enrollment	SCSASH		2001-161	Doc Enhance	Add note that VeriTRAN will populate the Premise Type based on information contained in the VeriTRAN Registration Database. No change.
Mass Updates	FCUPNF			N/A	No Change
Mass Updates	SBNINF			N/A	No Change
Meter Change	CTMSNF		2001-179	Doc Enhance	Remove QTR from reporting period on Meter Register. According to information available CCS nor CIS was planning on sending QTR code. No change.
Meter Change	DNMPNF			N/A	No Change
Meter Change	EQMCNF		2001-179	Doc Enhance	Remove QTR from reporting period on Meter Register. According to information available CCS nor CIS was planning on sending QTR code. No change.
Meter Read	COFRCL		2002-321	1.5	Modify Non-Interval Detail Loop to indicate Start Read Value and Start Read Type are required when Register Type is equal to KVA. This is a VeriTRAN issue only and no internal workaround is possible for Pilot. Must be automated for ROA.
Meter Read	COFRCL		2002-323	Doc Enhance	Update the notes in the Measured Consumption to indicate that it does not have to match the Factored Usage or factored consumption in the Non-Interval Detail Loop. No change.
Meter Read	COFRNF		2002-321	1.5	Modify Non-Interval Detail Loop to indicate Start Read Value and Start Read Type are required when Register Type is equal to KVA. This is a VeriTRAN issue only and no internal workaround is possible for Pilot. Must be automated for ROA.
Meter Read	COFRNF		2002-323	Doc Enhance	Update the notes in the Measured Consumption to indicate that it does not have to match the Factored Usage or factored consumption in the Non-Interval Detail Loop No change.
Meter Read	CORRCL		2002-321	1.5	Modify Non-Interval Detail Loop to indicate Start Read Value and Start Read Type are required when Register Type is equal to KVA. This is a VeriTRAN issue only and no internal workaround is possible for Pilot. Must be automated for ROA.
Meter Read	CORRCL		2002-323	Doc Enhance	Update the notes in the Measured Consumption to indicate that it does not have to match the Factored Usage or factored consumption in the Non-Interval Detail Loop No change.
Meter Read	CORRNF		2002-321	1.5	Modify Non-Interval Detail Loop to indicate Start Read Value and Start Read Type are required when Register Type is equal to KVA. This is a VeriTRAN issue only and no internal workaround is possible for Pilot. Must be automated for ROA.
Meter Read	CORRNF		2002-323	Doc Enhance	Update the notes in the Measured Consumption to indicate that it does not have to match the Factored Usage or factored consumption in the Non-Interval Detail Loop No change.
Meter Read	COSRNF			N/A	No Change
New Service	SPAVNF				Add note Entergy will always populate UDC Rate Class No change.
New Service	SPAVNF				Add note on when Entergy will populate Individual or Business Name with PREMISE No change.
New Service	SPAVNF	341	2001-219	Doc Enhance	Add note that Entergy will not identify an ESI-ID as having a Temporary Meter No change.
New Service	SPAVNF		2001-179	Doc Enhance	Remove QTR from reporting period on Meter Register. According to information available CCS nor CIS was planning on sending QTR code. No change.
Payments	PYRMNF			N/A	No Change
Service Orders	PRRQNF	391	2002-254	1.5	Add DC003 Remove One Specific Meter on a Multi-Metered Premise/ESI-ID to Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.

APPENDIX A**Open SET 1.4 Items and Changes Required for SET 1.5**

Business Event	Transaction Alias	CCB	TX SET	Category	CHANGE
Service Orders	SPDLNF		2002-259	1.5	Medical Condition Status Indicator – Eliminate “I” from valid values No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SPDLNF		2002-282 2002-308	Doc Enhance	Add a note that DP001 code is not being added since the code is only applicable to MCTDSP ESI-IDs. No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCH	391	2002-254	1.5	Add DC003 Remove One Specific Meter on a Multi-Metered Premise/ESI-ID to Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCH		2002-259	1.5	Medical Condition Status Indicator – Eliminate “I” from valid values No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCH		2002-435	1.5	Add RC003 Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCL	391	2002-254	1.5	Add DC003 Remove One Specific Meter on a Multi-Metered Premise/ESI-ID to Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCL		2002-259	1.5	Medical Condition Status Indicator – Eliminate “I” from valid values No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCL		2002-311	1.5	Remove Service Order Requested Delivery. No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCL		2002-435	1.5	Add RC003 Service Order Request Sub-Type New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCM	391	2002-254	1.5	Add DC003 Remove One Specific Meter on a Multi-Metered Premise/ESI-ID to Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCM		2002-259	1.5	Medical Condition Status Indicator – Eliminate “I” from valid values No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORCM		2002-435	1.5	Add RC003 Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRJ		2001-215	1.5	Add T019 Tampering. Entergy’s position has been to not add the code. (Code should be added to complete unexecutable reasons but does not necessarily indicate service has been suspended) No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRJ		2001-210	Doc Enhance	Add note that the Entergy will only send one reject reason to VeriTRAN but VeriTRAN, on Entergy’s behalf, may send multiple reject reasons. No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRJ	391	2002-254	1.5	Add DC003 Remove One Specific Meter on a Multi-Metered Premise/ESI-ID to Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRJ		2002-435	1.5	Add RC003 Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRQ		2001-198	1.5	Modify edit rule for premium disconnect location so it is only valid on DC001 (Disconnect Non-Pay). New Rule. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRQ	391	2002-254	1.5	Add DC003 Remove One Specific Meter on a Multi-Metered Premise/ESI-ID to Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRQ		2002-259	1.5	Medical Condition Status Indicator – Eliminate “I” from valid values No change. All service orders will be manual for pilot but must be automated for ROA.
Service Orders	SVORRQ		2002-435	1.5	Add RC003 Service Order Request Sub-Type. New code. All service orders will be manual for pilot but must be automated for ROA.
Termination	SCTMCL				Changed “EM3” to “EB3” in Valid Values column on Accept / Reject Message Text field. No change.
Termination	SCTMCM			N/A	No Change
Termination	SCTMRQ	390	2001-199	No Impact	Add B44 Drop and investigate removal of meter and service (Change Control is listed as 1.5 but was not included in EDI Guidelines.) --- It was suggested that Entergy not receive this indicator and indicator stop in VeriTRAN. Entergy made a business decision to not have VeriTRAN send this information to their back end systems. No change.
Termination	SCTMRS		2002-249	Doc Enhance	Add a note in the SCTMRS that states VeriTRAN will automatically echo back the date provided on the 814 12 when responding with and 814 13.

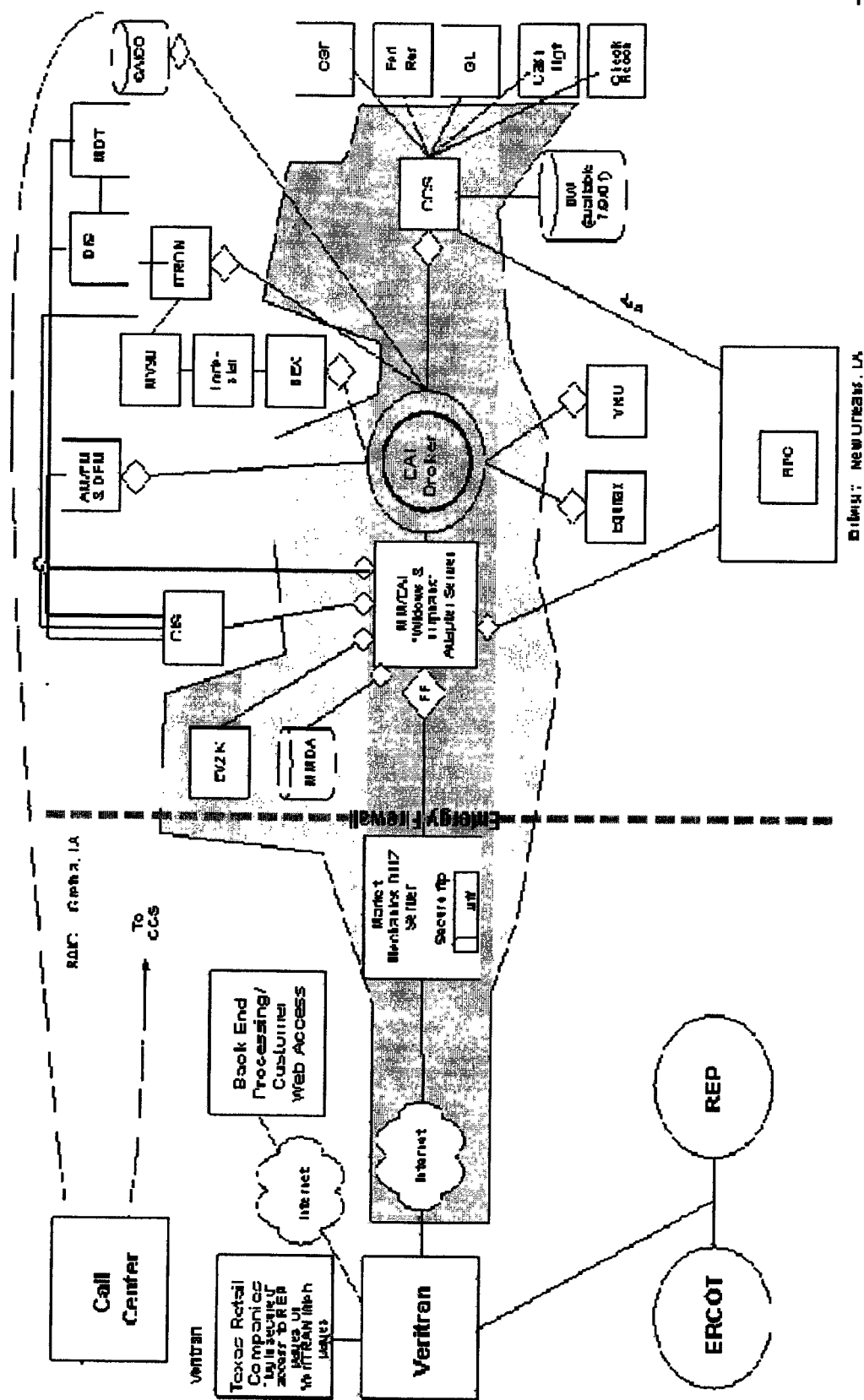
APPENDIX A**Open SET 1.4 Items and Changes Required for SET 1.5**

Business Event	Transaction Alias	CCB	TX SET	Category	CHANGE
					This is a VeriTRAN issue only and no internal workaround is possible for Pilot. Must be automated for ROA.
Termination	SPTMNF	341	2001-219	Doc Enhance	Add note that Entergy will not identify an ESI-ID as having a Temporary Meter. No change.

Appendix B

Technical Architecture

Scope approximated by shaded area..



Appendix C
CCS Gaps

Business Event	Transaction Alias	Transaction Name	Status / Issues
Account Maintenance	CHANGE	Account Maintenance Updates	Completed development; As of 4/29/02, pending completion of string test.
Billing	IVCHCL	Invoice Charge Cancelled	Initial Development Complete; Completed CCS IT and pending UAT. Need to add Missing Late Payment, Interest and B2B charges for ROA.
Billing	IVCHNF	Invoice Charge Notification	Initial Development Complete; Completed CCS IT and pending UAT. Need to add Missing Late Payment, Interest and B2B charges for ROA.
Billing	IVFCCL	Invoice Final Charge Cancelled	Initial Development Complete; Completed CCS IT and pending UAT. Need to add B2B Charges for ROA.
Billing	IVFCNF	Invoice Final Charge Notification	Initial Development Complete; Completed CCS IT and pending UAT. Need to add B2B Charges for ROA.
Customer Contact	CSCNNF	Customer Contact Notification	Development Complete; Completed CCS IT and pending UAT
Enrollment	COUHNH	Consumption Usage History Notification	CCS functionality is needed for ROA
Enrollment	COUHRQ	Consumption Usage History Requested	CCS functionality is needed for ROA
Enrollment	CTTOCL	Connect Turn On Cancelled	Development Complete; Completed CCS IT and pending UAT
Enrollment	CTTOCM	Connect Turn On Completed	Development Complete; Completed CCS IT and pending UAT
Enrollment	CTTORJ	Connect Turn On Rejected	Development Complete; Completed CCS IT and pending UAT
Enrollment	CTTORQ	Connect Turn On Requested	In Production; Need to implement priority code for ROA to support same day move-ins
Enrollment	CTTORS	Connect Turn On Rescheduled	In Production; Need to implement priority code for ROA to support same day move-ins.
Enrollment	CTTOSH	Connect Turn On Scheduled	In Production; Need to implement priority code for ROA to support same day move-ins. CCS has a change request pending to hold the schedule if there is a permit required.
Enrollment	SCAVCL	Service Change Activation Cancelled	Complete; In Production

Appendix C
CCS Gaps

Business Event	Transaction Alias	Transaction Name	Status / Issues
Enrollment	SCAVCM	Service Change Activation Completed	Complete; In Production
Enrollment	SCAVRQ	Service Change Activation Requested	Complete; In Production
Enrollment	SCSACM	Service Change Special Read Activation Completed	Complete; In Production
Enrollment	SCSARQ	Service Change Special Read Activation Requested	Complete; In Production
Enrollment	SCSASH	Service Change Special Read Activation Scheduled	Complete; In Production
Mass Update to Facility Attributes	FCUPNF	Feeder Circuit Update Notification	Complete; In Production, but txn's not being sent to VeriTran to lower transaction volume (information is not necessary at present)
Mass Update to Facility Attributes	SBNINF	Substation Name/ID Notification	Complete; In Production, but txn's not being sent to VeriTran to lower transaction volume (information is not necessary at present)
Meter Read	COFRCL	Consumption Final Read Canceled	Development Complete; In integration testing
Meter Read	COFRNF	Consumption Final Read Notification	Development Complete; In integration testing
Meter Read	CORRCL	Consumption Regular Read Canceled	Development Complete; In integration testing
Meter Read	CORRNF	Consumption Regular Read Notification	Complete; In Production
Meter Read	COSRNF	Consumption Special Read Notification	Complete; In Production
Meter Related Change	CTMSNF	Connect Meter Set Notification (Meter Addition)	Development Complete; In integration testing
Meter Related Change	DNMPNF	Disconnect Meter Pull Notification (Meter Removal)	Development Complete; In integration testing, Market Mechanics has a PCR in on IDR Register changeout for VeriTRAN VFF

Appendix C
CCS Gaps

Business Event	Transaction Alias	Transaction Name	Status / Issues
Meter Related Change	EQMCNF	Equipment Meter Change Notification (Meter Exchange)	Development Complete; In integration testing, Market Mechanics has a PCR in on IDR Register changeout for VeriTRAN VFF
New Service Installation	SPAVNF	Service Point Activation Notification	CCS functionality is needed for ROA
Payment	PYRMNF	Payment Remittance Notification	Complete; In Production
Termination	SCTMCL	Service Change Termination Cancelled	Development Complete; In integration testing
Termination	SCTMCM	Service Change Termination Completed	Complete; In Production
Termination	SCTMRQ	Service Change Termination Requested	Development Complete; Completed CCS IT and pending UAT.
Termination	SCTMRS	Service Change Termination Rescheduled	Development Complete; Completed CCS IT and pending UAT.
Termination	SPTMNF	Service Point Termination Notification	Business rules developed, will need to be in production at ROA or shortly after ROA
Service Orders	PRRQNF	Permit Required Notification	Unit tested in MM; Functional requirements done in CCS
Service Orders	SPDLNF	Suspension of Delivery Service Notification	Unit tested in MM and CCS
Service Orders	SVORCH	Service Order Change	Unit tested in MM and CCS; further testing deferred; may require updates due to market changes before using
Service Orders	SVORCL	Service Order Cancelled	Unit tested in MM and CCS; further testing deferred; may require updates due to market changes before using
Service Orders	SVORCM	Service Order Completed	Unit tested in MM; Functional requirements done in CCS
Service Orders	SVORRJ	Service Order Rejected	Unit tested in MM; Functional requirements done in CCS
Service Orders	SVORRQ	Service Order Requested	Unit tested in MM and CCS; may require updates due to market changes before using

ENTERGY SERVICES, INC.

**REQUEST FOR PROPOSAL
FOR
TEXAS RETAIL OPEN ACCESS
SYSTEMS UPGRADE**

December 22, 2003

Statement of Confidentiality:

The information contained in this document is confidential to Entergy Services, Inc. It may not be disclosed, duplicated, or used for any purpose, in whole or in part, without the prior written consent of Entergy Services, Inc.

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INSTRUCTIONS TO BIDDERS

1.0 CONTRACTOR'S LICENSE

The winning bidder will not be required to furnish a contractor's license to perform work hereunder.

2.0 PROPOSAL

Proposal will not be considered unless it consists of the accompanying Bid and Bid Schedule forms properly completed. Bidder's proposal will not be considered unless all items in the Proposal Form are completely filled out.

All proposal submissions will be held in strictest confidence and shall be considered proprietary to the Bidder. Entergy Services, Inc. reserves the right, subject to this same agreement of confidentiality, to submit any proposal for review and evaluation by an independent third party consultant or attorney.

All proposals shall become the property of Entergy Services, Inc..

Any and all costs incurred in association with preparing a formal response to this document will be borne by the Bidder. Acceptance of any proposal shall not in any way cause to incur any liability or obligation to Bidder, financial or otherwise.

3.0 PRICE INFORMATION

Only the base price shall appear where specified in the Bid Schedule. Other price information, such as options and alternatives, shall be given as a price addition to or deduction from the base price, or options shall be submitted as attachments to the Bid Schedule. Price information shall not be included in proposal transmittal letter or in the Bidder's technical or other non-priced data. Alternate proposals may be submitted and will be considered by Entergy Services, Inc. provided the Bidder has first submitted a proposal in full accordance with the specifications as furnished by Entergy Services, Inc.

4.0 COMPLETENESS OF PROPOSAL

Bidders may elect to bid on whole or part of the proposal. For those sections included in the bid, bidder's proposal shall be complete in order to avoid extras to the Contract Price. Bidder shall include in his bid all work which is indicated in the Bid Documents and which is normally considered part of the type of work covered by the Bid Documents, whether or not such work is fully detailed in the Bid Documents.

5.0 BID DOCUMENTS

Bid documents includes, but not necessarily limited to, the following:

- A. RFP Cover Letter
- B. Instructions to Bidders and Statement of Work
- C. Entergy's Proposal Form, including Bidder's Certification and Bid Schedule
- D. Other related documents as referenced in any special instructions or cover letter

Any contract resulting from these Bid Documents will incorporate the terms and conditions of these documents and shall prevail over conflicting provisions of Bidder's proposal. Any exceptions to these Bid Documents must be listed and specifically identified as Exception in Bid. Bidder's printed terms and conditions are not considered specific exceptions.

6.0 ADDENDA DURING BIDDING

Any additional information required by the Bidders, revisions in the work, changes or additions, discrepancies in the bidding documents, or clarifications will be in the form of addenda written and issued to all Bidders. Any addenda issued to Bidders shall be acknowledged in proposal when submitting bid.

7.0 BIDDER'S RESPONSIBILITY

It is the Bidder's responsibility to gather and dispense all information to his sub bidders regarding the provisions of the Bid Documents and any other information a sub bidder may require to prepare his bid(s).

Contract between sub bidders and Entergy Services, Inc. shall be only through the Bidder, and Bidder shall so inform his sub bidders.

8.0 PROPOSAL DISTRIBUTION

Distribution of request documents and receipt of vendor questions and responses will take place through the web-based Pantellos RFx Management application. All matters pertaining to submission of a proposal should be addressed to:

Bobbie Babin
Entergy Services, Inc.
639 Loyola Avenue 70113
P.O. Box 61000
New Orleans, LA 70161
Phone: (504)-576-6545
Fax: 504-576-7670
Bbabin@entergy.com

Or
Keith Wood
504-576-2618
kwood@enterty.com
All other information the same.

The bid package must be posted electronically on the Pantellos website by 2:00 p.m. CST on January 9th, 2004. Any proposal received after the time and date specified above will not be considered. PLEASE POST YOUR BID PRIOR TO THE DEADLINE. THE EVENT WILL CLOSE EXACTLY AT 2:00 P.M. AND CANNOT BE ACCESS AFTER THAT TIME.

Any price or technical data submitted subsequent to the original proposal shall state the reason for the revision and be submitted in the manner as the original proposal.

9.0 PERFORMANCE SCHEDULE

Bidder shall recognize and comply with the following deadlines:

RFP Issued	December 22, 2003
Proposal Due Date	January 9, 2004

Bidder Questions--Bidders are permitted to submit questions in writing through the Pantellos website, subject to the following conditions:

1. All questions **must** be submitted as "public" questions through the RFx management tool, so that all bidders will be privy to the same information throughout the bidding process. Any questions submitted as "private" will not be answered; and
2. Because of the short time period between the issue date and the proposal due date, questions should be submitted as soon as possible to give Entergy an opportunity to respond. Entergy cannot guarantee that questions submitted close to the proposal due date will be answered.

10.0 PROPOSAL REQUIREMENTS

Each Bidder is responsible for being thoroughly familiar with all documents contained herein.

Selected Bidder will be required to enforce safety, security, and fitness-for-duty procedures while Bidder, its employees, agents, representatives and/or sub-bidders are on Entergy premises.

11.0 RETURN OF CONTRACT DOCUMENTS

All Contract Documents shall be returned to Bobbie Babin at the address noted above whether or not a bid is submitted.

12.0 RIGHT TO ACCEPT OR REJECT

Entergy Services, Inc. may waive any informalities or minor defects in proposals. The right is reserved to reject any or all proposals or any portion thereof for any reason or for no reason at all at any point prior to the written execution of the Agreement referred to herein. Neither receipt of proposal nor failure to reject proposal shall impose any legal obligation on Entergy Services, Inc. No bidder may withdraw a proposal within 60 days after the date of actual opening. Proposals shall remain valid for acceptance for sixty (60) days after the designated bid submission due date.

Entergy Services, Inc. reserves the right to withhold award of any contract described herein; to award all to any one Bidder, or issue multiple contract awards.

13.0 ENTERGY SERVICES, INC. POLICIES AND PROCEDURES

The Contractor shall comply with those Entergy Services, Inc. policies and procedures which apply to the services to be provided hereunder and which are specifically set forth in the Agreement attached hereto and made a part hereof.

14.0 ALTERNATE BIDS

Bidder may, and is encouraged to, submit an alternate bid whenever an alternate approach or design is thought to be in the Owner's best interest. Bidder must submit a proposal in full accordance with the specifications furnished by Owner in order to have his alternate bid considered. Such options or alternates shall be presented as a price addition or deduction from the base price given on the Proposal Form, unless prior written notice has been received from the Procurement Specialist. Please include the following with any alternate bid submitted:

1. A clear description of the change in design or work scope as specified, and
2. The benefits to be realized from said change.

COMPLETE AND RETURN THIS SHEET

ENTERGY'S PROPOSAL FORM

PROPOSAL FOR Texas Retail Open Access Systems Upgrade

DATE OF PROPOSAL: _____

Proposal of _____ (hereinafter called "Bidder")
organized and existing under the laws of the State of _____ doing
business as a _____ (corporation, partnership or sole proprietorship), to Entergy
Services, Inc.

In submitting this proposal, the undersigned, as Bidder, declares that the only persons or parties interested in this Proposal as principals are those named herein; that he or she has carefully examined the Bid Documents therein referred to, and has carefully examined and is aware of and satisfied with the locations and condition of the site, supply sources, types of materials, and scope of the proposed work.

Bidder further agrees that he will provide all necessary labor, materials, machinery, tools, equipment and other facilities, and will perform or cause to be performed all activities necessary or incidental to the performance of work herein called for, complete in every respect, in strict compliance with the Contract Documents. Also, he agrees to accept as full compensation only the prices named in the following Bid Schedule unless otherwise provided in the Contract.

Bidder acknowledges Entergy Services, Inc.'s schedule and hereby agrees to commence work under this Contract on or before **January 19, 2004**.

Bidder acknowledges that Entergy Services, Inc. reserves the right to reject any and all bids or proposals or any part thereof for any reason or for no reason at all at any point prior to the execution of the Agreement.

Bidder: _____

By: _____

Name & Title: _____

Date: _____

BIDDER'S CERTIFICATION

Bidder certifies that he agrees to all provisions of the Bid Documents including, but not limited to, Instructions to Bidders, Entergy's Proposal Form, Bid Schedule, and other related documents as referenced in any special instructions or cover letter, except as specifically listed below:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Date: _____

COMPLETE AND RETURN THIS SHEET
AND
APPENDIX A: BIDDER PRICING FORMS

BID SCHEDULE

PROPOSAL FOR Texas Retail Open Access Systems Upgrade

Bidder agrees to perform all the work described in the Contract Documents for the following price. Proposals shall include all applicable taxes, permits and fees. Bidder shall define the number and type of resources to be provided.

1. Base Bid for Texas Retail Open Access Systems Upgrade \$_____

Respectfully submitted:

Bidder:

By:

Name & Title:

Date:

EXHIBIT A-STATEMENT OF WORK

ENTERGY TEXAS DISTRIBUTION RETAIL OPEN ACCESS SYSTEMS UPGRADE

1.0 Summary /Background

Customer Choice

Retail Customer Choice was intended to become effective in the Entergy Service Area of Texas (ESAT) on January 1, 2002, preceded by a pilot beginning June 1, 2001. Due to certain issues relative to wholesale market operations in areas of Texas not within the ERCOT Region, Customer Choice has been delayed in the Entergy Service Area. The initial pilot remained in effect, however there was no customer participation in Entergy's Service Area until November 2003, when ESAT's initial pilot participants were processed.

Within the Entergy Service Area, Customer Choice is now proposed to be introduced beginning January 1, 2005. Active pilot participation in the Entergy Service Area will continue in the interim.

Project History

In preparation for the original customer-choice implementation date of January 1, 2002, Entergy Distribution began in 2000 to prepare for Customer Choice in its Texas service area. This effort included:

- ❖ The procurement of a service provider (VeriTRAN) for retail market transactions.
- ❖ Internal development of systems/interfaces to support retail market transactions compliant with EDI standards specified in ERCOT Standard Electronic Transactions (SET)
 - ❖ CCS is currently operating on SET 1.3
 - ❖ Market Mechanics is currently operating on SET 1.4
 - ❖ The Entergy side of VeriTRAN is currently operating on SET 1.4
 - ❖ The Market side of VeriTRAN is currently operating on SET 1.6
- ❖ Procurement and installation of a load profiling/data aggregation system (EV2K) to provide aggregated load data for wholesale market purposes, including market settlement data.
- ❖ Modification and development of necessary internal systems/interfaces to support retail and wholesale market protocols as developed and proposed, for the Entergy Service Area of Texas (ESAT Protocols).
- ❖ Implementation of SET Version 1.3 for the customer choice pilot, which began about June 1, 2001.

Overall Project Scope Structure

The objective of this RFP is to equip and prepare Entergy's Texas Distribution (ETD) company for Customer Choice and the implementation of customer choice. The three 2004 releases included in the overall project are generally described as follows:

❖ 2004 TXROA Release 1: Automated Pilot Participation at SET 1.6

Upgrade of systems from current SET version to SET 1.6, the market standard as of December 15, 2003. This automation is desired to support the increased volume of customers expected to participate in the pilot. Minimal internal work has been completed in this phase. ETD's service provider (VeriTRAN) has already completed work to be SET 1.6 compatible on the Market side

of its interfaces. Selected bidder and VeriTRAN will work in conjunction to be SET 1.6 compatible on the Entergy side as soon as possible.

❖ **2004 TXROA Release 2: SET 2.0 Upgrade**

Upgrade of systems from SET 1.6 version (or lower) to SET 2.0 with a flight certification market testing date of May 5, 2004. The current market implementation date for SET 2.0 is scheduled for August, 2004, but Entergy must be prepared to begin participation in market testing/market certification on May 5, 2004. Minimal internal work has been completed in this phase.

❖ **2004 TXROA Release 3: Full ROA**

This phase implements customer choice in the ETD's service area inclusive of the conversion of customer information from ETD's legacy CIS to ETD's new CCS as well as supporting the conversion of certain customer information to ETD's Retail Affiliate Co.

Additional requirements impacting EV2K for full customer choice were defined during the Entergy protocol collaborative process. These additional requirements, specified in the proposed ESAT Protocols, will also be implemented during Full ROA.

2.0 Scope Requirements

The scope of this work includes the development and delivery of the IT solution(s) within specific technical bounds to complete Release 1, Release 2 and Release 3 inclusive of the overall program/project management of this project.

Primary requirements for the IT solution(s) are the Entergy Service Area of Texas (ESAT) Protocols which specify the market rules, transactions, and communication protocols the IT solution(s) must support.

Bidder will be expected to support and deliver any additional changes required by the market during the period of the engagement.

Bidder will be expected to provide solutions that include all phases of the project lifecycle and all affected Entergy systems. Entergy expects to conduct a Business Readiness Test following the conclusion of bidder's System Test/User Acceptance Test. Bidder will be expected to certify that code is production ready prior to turnover to Entergy's Business Readiness Test organization.

Bidder will be required to warranty each release for 30 days following the production implementation and provide appropriate implementation and storm support during that period.

Bidder will be required to transition implemented solutions to the appropriate Entergy systems maintenance organization(s) following the warranty period.

Bidder will be required to follow Entergy Problem & Software Configuration Management Requirements, as outlined in Appendix B.

Bidder will be expected to provide status, schedules and issues using the tools and methodologies specified by Entergy's Program Management Office (PMO).

Alternate Solution(s)

Given certain known constraints, alternate solutions and/or work-arounds may, and if necessary must, be implemented to meet specified "date-certain" delivery dates.

- ❖ Entergy is willing to work with bidder to reduce scope of 2004 TXROA Release 1. Entergy's goal for Release 1 is the ability to further automate support for high volumes of pilot participation. Bidder should know that any proposed work-arounds must be approved by the market before Entergy and bidder can reach agreement on scope reduction. Entergy recognizes that there may not be adequate detail in this RFP to allow Bidder to specify a valid and reasonable alternative, so Entergy will allow Bidder the option to develop a de-scoping alternative after the bid has been awarded. Entergy would like Bidder to declare their intent to develop a de-scoped alternative in their proposal if the latter option is chosen.
- ❖ Entergy is willing to work with bidder to modify the schedule of 2004 TXROA Release 2 to meet May 5, 2004 target date for some transactions and postpone the implementation of others or to deliver 2004 TXROA Release 2 in its entirety at a later date prior to the market implementation date for SET 2.0, currently targeted for August 2004. Bidder should know that any proposed work-arounds must be approved by the market before Entergy and bidder can reach agreement on schedule modification. Entergy recognizes that there may not be adequate detail in this RFP to allow Bidder to specify a valid and reasonable alternative, so Entergy will allow Bidder the option to develop a scheduling alternative after the bid has been awarded. Entergy would like Bidder to declare their intent to develop a scheduling alternative in their proposal if the latter option is chosen.

Delivery Date(s)

- ❖ Solution(s) for active pilot participation: **ASAP**.
- ❖ Solution(s) for market testing/certification of SET 2.0: **May 5, 2004** (with market implementation date of **August, 2004**).
- ❖ Solution(s) and conversion for Customer Choice: **January 1, 2005**.

3.0 Scope Details

2004 TXROA Release 1: Automated Pilot Participation at SET 1.6

Entergy commissioned a Gap Analysis to determine the extent of completion and remaining work for the upgrade to SET 1.6 for internal systems. The extent of completion and remaining work for the internal market transaction system(s), (market mechanics) is specified, by change control reference and SET transaction, in Appendix C. The extent of completion and remaining work for the Customer Care and Service (CCS) system is specified, by business process, in Appendix D. Note that this Gap Analysis is not comprehensive and Bidder should expect to identify additional scope during the Requirements Analysis phase and plan to deliver it with the release.

2004 TXROA Release 2: SET 2.0 Upgrade

Entergy commissioned a Gap Analysis to determine the extent of completion and remaining work for the upgrade to SET 2.0 for internal systems. The extent of completion and remaining work for the internal market transaction system(s), (market mechanics) is specified, by change control reference and SET transaction, in Appendix C. Changes specific to SET 2.0 can be located by setting a filter on the SET Version column and selecting 2.0. There are approximately 100 Change Controls issued by the Market for SET 2.0., 40 of which are covered in the Gap Analysis as SET 2.0 specific. The

extent of completion and remaining work for the Customer Care and Service (CCS) system is specified, by business process, in Appendix D. Appendix D does not differentiate between Release 1 and Release 2 changes. Note that this Gap Analysis is not comprehensive and Bidder should expect to identify additional scope during the Requirements Analysis phase and plan to deliver it with the release.

2004 TXROA Release 3: Full ROA

CIS to CCS Conversion

Bidder will be expected to analyze and complete development work in CCS to prepare for conversion from legacy CIS.

Conversion to Customer Choice

Conversion of necessary customer information from legacy CIS to ETD's CCS, and support of data conversion from legacy CIS to ETD's retail affiliate as specified under Customer Choice market rules.

These additional market rules/requirements will not be required for SET 2.0 or market certification, but will be required for Customer Choice on January 1, 2005:

- ❖ Development of additional reports in the Data Aggregation System, EV2K, as result of Entergy Protocol Collaborative:
 - Aggregated Load before losses applied by CR, Profile Type
 - Aggregated load by CR by Profile Type by Voltage class before/after loss adjustment
 - Aggregated load by CR by Profile Type for Transmission Authority by Voltage class after loss adjustment
 - Total ESAT Load by Profile Type before/after adjustments for losses
 - The CR's ESI ID count by Profile Type
 - The CR's ESI ID count by voltage class
 - Total ESAT ESI ID count by Profile Type
 - Total ESAT ESI ID count by voltage class
 - Back-casted weather-adjusted profile data each day for the settlement day; post to website.
 - Report of the proxy day data used to estimate missing IDR data for ESI IDs with IDRs; post to website
 - Report of the proxy day used for the missing IDR data by weather sensitive and non-weather sensitive categories; post to website
 - Create report/post each ESI ID (with customer identifiers such as profile type, voltage code, meter type code, etc) used in the aggregation for each CR. Post for every settlement day.
- ❖ Internal changes in EV2K system for profile naming convention.

Out of Scope Items

Certain market rules/requirements will not be implemented for Customer Choice in ESAT and are not included within the scope of this contract. These items will be implemented at some time after Customer Choice begins:

1. Electronic Outage Reporting (Will be implemented post-ROA)
2. Competitive Metering requirements currently under development in the Texas market

4.0 Technical Discussion

Transaction Processing

VeriTRAN serves as Entergy's interface to the Texas Market Clearinghouse. In addition to sending and receiving transactions, VeriTRAN also manages a subset of Entergy's ESI ID data so that it can respond to some transactions on Entergy's behalf without sending a request and waiting for a response from Entergy's back-end systems.

When VeriTRAN receives an EDI market transaction either from ERCOT or the CR, the transaction is validated that it meets ANSI and Texas SET standards. The EDI transaction is then converted to XML so that it can be loaded into the VeriTRAN Database. From the VeriTRAN database, a client side (VeriTRAN to Entergy) XML transaction is generated. This XML transaction is then written to a generic file structure (VFF) based on key information Entergy defined as being required from the market for Entergy's back-end system.

After the VFF is generated, the file is FTP'd to Entergy where it is processed by the **Market Mechanics** application. In many cases, **Market Mechanics** processes the transaction and sends it to the Market Mechanics Database (MMDA). **Market Mechanics** sends the data through the EAI Adapters, which may result in more than one transaction being published to the EAI Broker. Once the transaction is published there are EAI adapters on the other of the EAI Broker, which pull the canonicals and create transaction(s) for their systems using the canonical. In the case of CCS the information in the canonical is used to create IDOCs. Various applications including CCS, EV2K, AM/FM, DFM, SAISO, MV90 and **Billing Expert (BEX)** then subscribe to the transaction(s). If one of these systems subscribes to a type of transaction, the application will retrieve the transaction from the EAI layer and use the applicable information within their system. Once a transaction is processed, a response from Entergy may be required. An example of this is an off-cycle switch request. In this example, CCS will create an IDOC, a canonical will be published to the EAI, **Market Mechanics** will subscribe to the transaction, and the reverse flow of the transaction will continue to VeriTRAN back out to the market.

For additional detail associated with migrating from Texas SET 1.3 to Texas SET 1.6/SET 2.0 refer to Appendices C and D.

Load Profiling and Data Aggregation

Energy Vision 2000 (EV2K, a software product from ICF Consulting) is a system for load profile development and daily data aggregation processing. EV2K requires data feed from Entergy systems for customer identification (ESI-ID, competitive retailer assignment, substation data, voltage class, etc), monthly meter consumption data, interval data recorder (IDR) data, and interval weather data. Legacy systems involved are CIS/CCS, MV90 and **Billing Expert (BEX)**, along with an outside vendor for **weather data**. Data feeds from legacy systems flow through the EAI layer to EV2K.

EV2K processes data received to create hourly aggregated files on a daily basis. The processing includes estimating hourly loads using a weather-adjusted load profile for customers with no IDR, utilizing IDR data for customers with IDRs, sorting/summing all hourly loads by voltage

class/competitive retailer/weather zone/UFE zone, applying line losses and creating output files of data.

Hourly aggregated files are output for each competitive retailer in ESAT's territory for the market settlement day. The output data are also provided to the Transmission Authority or settlement agent for use in the financial settlement of the market.

5.0 Overall Project Approach

Due to certain regulatory issues, it is anticipated that this project will begin prior to final approval by Entergy to implement Customer Choice in the Entergy Service Area. Given this uncertainty, the overall project approach, and vendor proposal, should include the following major considerations:

- ❖ A "back-end loaded" project approach for "just-in-time" delivery, within acceptable risk parameters, to minimize cost expenditures until final Commission approval.
- ❖ Approach "exit" strategies that minimize costs, if during the course of the project, Customer Choice within the Entergy Service areas is delayed and/or terminated.

6.0 Constraints

This project will be constrained by these major factors:

2004 TXROA Release 1: Automated Pilot Participation at SET 1.6:

- ❖ Active pilot participation must be supported ASAP.
- ❖ Retail market implemented SET Version 1.6 in December, 2003.
- ❖ Estimated project start is not before January 19, 2004.

2004 TXROA Release 2: SET 2.0 Upgrade:

- ❖ Retail Market will begin testing of SET 2.0 on May 5, 2004.
- ❖ Estimated project start is not before January 19, 2004 with a date certain delivery of May 5, 2004.

2004 TXROA Release 3: Full ROA:

(Implementation is subject to the outcome of certain regulatory proceedings currently before the Public Utility Commission of Texas.)

- ❖ Date-certain delivery of overall project.
- ❖ January 1, 2005 is a fixed date at which functioning solutions delivery for customer choice must occur.
- ❖ Estimated project start is not before January 19, 2004 with a date certain delivery of January 1, 2005.

Other Entergy Projects:

- ❖ Upgrade of Customer Care and Service (CCS) system from SAP V4.6.2, 4.6C(R/3) to SAP V4.72. This project must run parallel and in concert with the anticipated project to upgrade the version of SAP Entergy is currently using to operate its CCS.
- ❖ Upgrade of EV2K software to EVE

Entergy Resources:

The availability and timing of Entergy business and technical resources will be constrained due to other projects currently in progress within Entergy. Bidder should articulate their requirements for Entergy resources in their proposal.

7.0 Entergy's Expectations of its Vendor

Knowledge/Capability/Experience

Vendor must have demonstrable knowledge, capabilities, and experience in the following specific areas:

- ❖ Program/project management
- ❖ Ability and adaptability to work in concert with other on-going projects.
- ❖ Knowledge and understanding of the Texas Customer Choice retail market rules, requirements, protocols, and transactions, with specific detailed knowledge and experience with Texas SET protocols.
- ❖ Implementation and configuration of SAP version 4.6.2 (CCS), 4.6.C (R/3)
- ❖ Web Method's Active Works version 4.1.1.
- ❖ Load profiling/data aggregation vendors must have statistical and load research expertise along with knowledge and understanding of the Texas Customer Choice retail market rules, requirements and protocols.

Cost Estimation / Management / Mitigation

Vendor must have demonstrable knowledge, capabilities, and experience in:

- ❖ Accurate estimation of total project costs, inclusive of needed resources from other entities necessary for project completion.
- ❖ Management of project costs and schedules and well as cost mitigation strategies.

Vendor Proposals

Costs

- ❖ Vendor proposals based on not-to-exceed time and material contracts will be accepted.
- ❖ To the extent possible, vendor costs should be firm or capped-price based and should address date-certain guarantees along with risk/reward proposals.
- ❖ Proposal should include an estimate of the total project cost to Entergy in addition to the vendors cost proposal.

Assumptions

For each assumption on which the vendor's proposal is contingent, the vendor should discuss the following:

- ❖ the probability that the assumption is true
- ❖ The estimated impact to the project deliverables and costs if the assumption is subsequently proven untrue.

Risks

Vendor proposals should identify and discuss, inclusive of mitigation, the key risk areas perceived to be associated with this project.

Public

This exhibit contains information that is confidential and will be provided under the terms of the Protective Order (Confidentiality Disclosure Agreement) entered in this case.

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Summary

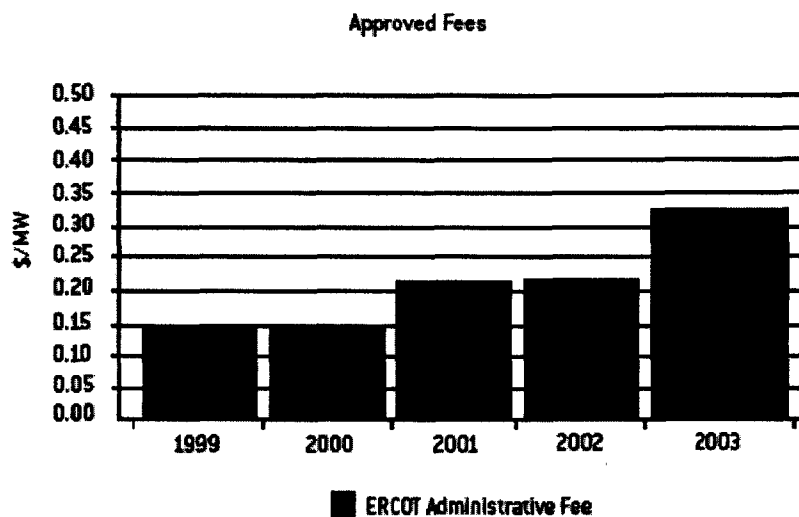
- ERCOT funding (via fees on wholesale buyers and sellers) more than doubled between 2000 and 2003.
- ERCOT staff increased from 50 in 2000 to 380 in 2003.
- ERCOT operating expense increased from about \$18M in 2000 to over \$100M in 2003 (14% of residential customers switched to competitive suppliers)

ERCOT Annual Report 2003

<http://www.ercot.com/NewsRoom/MediaBank/2003AnnualReport.pdf>

excerpt

The Texas Public Utility Regulatory Act provides that ERCOT may charge a reasonable and competitively neutral fee to wholesale buyers and sellers to cover its costs. Such costs include operational expenses, capital expenditures, and principal and interest payments on debt. The ERCOT board of directors and the PUCT review and approve the fee structure periodically. In 2003, ERCOT's administrative fee was \$0.33 per megawatt hour.



Employees 2000: 50

Employees 2003: 380

Project management disciplines resulted in an increase of on-time delivery of projects to the market from 40 per cent to 90 per cent.

In the early stages of implementing Senate Bill 7, ERCOT struggled to meet the needs of the market in such short order. High-end custom grid management software and systems for market billings and settlements were developed at a break-neck pace. Four years later, these complex programs have reached maturity. Improved cost efficiencies are now being realized. In 2003, ERCOT transitioned from being heavily consultant-based, to being an employee-driven system. Much attention was given to integrating new hires into the IT department.