

CONSULTANTS

Utility Data Resources, Inc. Corey Pettett acted as a consultant to EGSI on issues related to distribution pricing issues.	3879-3881-S1	11/1/-11/30/99	Docket 22356 Corey Pettett (\$100/hr)	FEES: \$15,700 EXPENSES: \$2,710.33 DISALLOWANCE: \$1,355.16 TOTAL: \$17,055.17 NOTES: Disallowance of ½ of expenses which are all travel related due to insufficient documentation.
	4198-N1 to N3	12/1/99 – 1/7/00		Fees: \$27,400.00 EXPENSES: \$3,383.07 DISALLOWANCE: \$1,691.54 TOTAL: \$29,091.53 NOTES: Disallowance of ½ of expenses which are all travel related due to insufficient documentation.
	4198-N4 & N5	1/17/00-2/29/00		Fees: \$6,200.00 EXPENSES: \$118.30 DISALLOWANCE: \$59.15 TOTAL: \$6,259.15 NOTES: Disallowance of ½ of expenses which are all travel related due to insufficient documentation.
	4198-N7	3/1 – 3/31/00		Fees: \$13,850.00 EXPENSES: \$1,763.28 DISALLOWANCE: \$881.64 TOTAL: \$14,731.64 NOTES: Disallowance of ½ of expenses which are all travel related due to insufficient documentation.
TOTAL UTILITY DATA				\$67,137.49

CONSULTANTS

J.A. Wright & Associates Marietta, GA	4251-4258			Regulatory Support Chip Wright (\$312.50/hr)	FEES: \$955,55 NOTES: Mr. Wright's bills were split among all of the Entergy Operating Companies and the amount sought to be recovered herein represents only 13.2% of the costs associated with transition to competition.
Chip Wright was a non-testifying consultant who assisted the Entergy Operating Companies with unbundling and transition to competition cases.					

Stephen Henderson

Work Date	Page Range	Code	Amount	Vendor Description of Work / S. Henderson Hourly Rate	Notes
6/1-30/99	4269 - 4274	219	\$15,437.50	PHB Hagler Bailly Market power \$290/Hr.	Recover is sought for only the portion of this invoice allocated to Texas.
7/1-31/99	4275 - 4282	219	\$4,930.00	PHB Hagler Bailly Market power. \$290/Hr.	
8/1-31/99	4283 - 4297	219	\$97,808.50	PHB Hagler Bailly Market power \$96,983.50 Federal issues \$825.00 \$300/Hr.	Vendor breakdown of charges on bates 4284.- this includes the two matters listed at left.
9/1-30/99	4313 - 4327	219	\$92,739.67	PHB Hagler Bailly Market power \$85,327.17 Federal issues \$7,412.50 \$300/Hr.	Vendor breakdown of charges on bates 4314 - this includes the two matters listed at left.
10/1-31/99	4298 - 4308	219	\$82,192.24	PHB Hagler Bailly Market power (\$82,192.24) \$300/Hr.	The amount listed is for Market Power according to the vendor's breakdown on bates 4299.
10/1-31/99	4309 - 4310 and 4311-4312 (duplicates)	219	\$2,935.00	PHB Hagler Bailly Entergy Market Power Bruce M. Sloan - \$270/Hr.	This invoice and the previous one cover the same time period but the timebillers are different, i.e., no apparent over billing, The invoice is for "Entergy Market Power".
12/1-31/99	4148N1 - 4148N3	2S9	\$9,152.77	Hagler Bailly No description of work \$300/Hr.	Adjusted by \$17,300.33 on ORG 2G9 spreadsheet.
2/17- 3/31/00	4112N1 - 4112N3	2G9	\$160,053.32	Hagler Bailly Entergy Market Power Ira Shavel - \$350/Hr. Alastair MacLeod - \$260/Hr.	

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Work Date	Page Range	Code	Amount	Vendor Description of Work / S. Henderson Hourly Rate	Notes
3/1-31/00	4112N4 - 4112N7 includes N4S1 - N4S15	2S9	\$278.45	Hagler Bailly Assistance with the system agreement. \$325/Hr.	Spreadsheet adjusts TTC on this invoice from \$1,787.50 to \$278.45.
4/1-30/00	4112N8 - 4112N11 includes N11S1 - N11S6	2S9	\$54.60	Hagler Bailly Assistance with the system agreement. \$350/Hr.	Spreadsheet adjusts TTC on this invoice from \$350.00 to \$54.60.
4/1-30/00	4328 - 4330	226	\$1,746.56	Hagler Bailly Energy pricing and Eval Alastair MacLeod - \$260/Hr.	
5/1-30/00	4112N16 - 4112N19 includes N19S1 - N19S6	2S9	\$87.50	Hagler Bailly Texas rules regarding market power. (\$87.50) \$350/Hr.	2 matters on this invoice. EGSI is not seeking recovery of any portion of the second invoice, \$4,550, in this proceeding..
6/1-30/00	4112N12 - 4112N15 includes N15S1 - N15S5	2S9	\$1,924.43 \$27.30 \$2,500.00	Hagler Bailly Participate in Texas agreement (\$1,924.43) System agreement - transmission limits (\$175.00) Other market power - review divestiture (\$15,384.60) \$350/Hr.	Listed as three items on EGSI's ORG 2S9 spreadsheet Spreadsheet adjusts \$175 down to \$27.30 and \$15,384.60 down to \$2,400.
8/1-31/00	3574 - 3577	185	\$10,025.23	Hagler Bailly Prepare study for Texas market power filing \$350/Hr. Paul D. O'Rourke - \$400/Hr.	This is the same invoice as 4112N20 - 4112N23 (listed immediately below) but is separated because it was allocated to a different funding code. Total bill was paid just once.
8/1-31/00	4112N20 - 4112N23	2S9	\$3,940.78	Hagler Bailly System Market Power - conduct structural and	This is the same invoice as 3575 - 3577, listed immediately above, but is separated because it

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Work Date	Page Range	Code	Amount	Vendor Description of Work / S. Henderson Hourly Rate	Notes
	includes N23S1 - N23S10			behavioral analyses to test proposed mitigation. \$350/Hr. Paul O'Rourke - \$400/Hr.	was allocated to a different funding code. Spreadsheet reduces \$25,261.43 down to \$3,940.78. Total bill was paid just once.
9/1-30/00	3578 - 3580	185	\$3,996.39	Hagler Bailly Prepare study for Texas market power filing \$350/Hr. Paul O'Rourke - \$400/Hr.	This is the same invoice as 4112N24 - 4112N29, listed immediately below, but is separated because it was allocated to a different funding code. Total bill was paid just once.
9/1-30/00	4112N24 - 4112N27 - includes N27S1 - N27S11	2S9	\$8,859.48	Hagler Bailly System Market Power - conduct structural and behavioral analyses. \$350/Hr. Paul O'Rourke - \$400/Hr.	This is the same invoice as 3578 - 3580, listed immediately above, but is separated because it was allocated to a different funding code. Spreadsheet reduces the \$56,791.53 down to \$8,859.48. Total bill was paid just once.
9/1-30/00	4331 - 4333	226	\$2,610.00	Hagler Bailly Stranded Costs - Market Price Forecast. Larry Brockman - \$290/Hr.	
10/1-31/00	3763 - 3774 includes 8 un-numbered pages	185	\$3,524.55	PA Consulting (fka PHB Hagler Bailly) Texas market power filing. \$350/Hr. Matt Arencchild - \$265/Hr. Emily Bartman - \$300/Hr. Taber Dhillia - \$155/Hr. Paul O'Rourke - \$400/Hr.	
TOTAL			\$504,824.27		

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NON-HOURLY BILLERS

Bates Page	Adjustment	Amt Requested	Vendor Expense Description	Notes
1 - 6		\$77.49 \$676.65 \$386.10 \$124.80 \$111.93	Accustaff Temp receptionist 22 Oct 2000 Temp employee for week ending 5 Nov 2002 Temp employee for week ending 29 Oct 2002 Temp employee for week ending 29 Oct 2002 Temp employee for week ending 29 Oct 2002	
7 - 8		\$265.83	Ace Federal Reporters Court reporting services for RTO issues, Dkt. 25089	
16 - 15		\$0	B&L Mail Sorting EGSI not requesting recovery	
3967-N1		\$1,250	Big Guys Catering Catering for 25 people for 5 days Mar 24 - 28, 2000.	Five dinners (no breakfast or lunch) for 25 people (\$10.00 per person/per meal) for the people working to put the UCOS filing together.
641 - 642		\$164.00	City Express Service copy deliveries (9 parties) Aug 4, 2003, Dkt 25089	
1273 - 1275N1		\$3,875.39 566.12 \$1,252.21	Copy Docs Copies for filing 26 Apr 2004, Dkt. 28818. Copies for filing 8 Oct 2004, Dkt. 30123 Copies for filing 9 Sept 2004, Dkt. 30123	
1276 - 1277		\$584.20	CT Corp System Registration of Entergy Select, LLC (DE) in Texas and registration of Entergy Solutions Essentials, Ltd. in Texas, and associated communications expenses and Fed Ex fees	
4344-N1 - N3		\$1,846.00	Electrical Engineering Professional Services, Inc. Scanning Services of Andrea Joseph - 2 weeks (71 hrs) @\$26/hr Dec 04	

Bates Page	Adjustment	Amt Requested	Vendor Expense Description	Notes
		\$3,367.00 \$1,859.00	Scanning Services of Andrea Joseph - 4 weeks (129.5 hrs.) @ \$26/hr Dec 04 - Jan 05 Scanning Services of Andrea Joseph - 2 weeks (71.5 hrs) @ \$26/hr Jan 05	
1318 -1321		\$0 \$273.00	Energy Services Delaware franchise tax - EGSI not requesting recovery Rate case fee for District Court, Dkt. 30123.	
1337 - 1351		\$0 \$67.52 \$20.83 \$630.02 \$374.20 \$219.69 \$108.07 \$270.52 \$64.95 \$395.00 \$353.85 \$335.14 \$31.93	Ikon Office Solutions Bates 1338 -1339 - EGSI not seeking recovery Copies of maps for regulatory filing, Dkt. 25089 04 Mar 2002 Copies for regulatory filing, Dkt. 25089 04 Mar 2002 Copies for regulatory filing, Dkt. 25089 15 Apr 2002 Copies for regulatory filing, Dkt. 250895 Apr 2002 Copies for regulatory filing, Dkt. 25089 18 Mar 2002 Copies for regulatory filing, Dkt. 25089 18 Mar 2002 Copies for regulatory filing, Dkt. 25089 2 May 2002 Copies for regulatory filing, Dkt. 26168 16 Aug 2002 Copies for regulatory filing, Dkt. 24953 7 Jan 2002 Copies for regulatory filing, Dkt. 25089 8 Jan 2002 Copies for regulatory filing, Dkt. 25089 8 Jan 2002 Copies for regulatory filing, Dkt. 25089 22 Jul 2002	
3589 - 3596	-\$8,448.10 -\$6,097.51 -\$1,160.44 -\$329.77	\$8,448.10 \$6,097.51 \$1,160.44 \$329.77 \$559.41 \$657.15 \$1,795.28	Ikon Office Solutions Page 3590 23 Jan 2000 Page 3591 21 Jan 2000 Page 3592 21 Jan 2000 Page 3593 6 Jun 2000 Dkt. 22344 Oct 2000 UCOS Supplemental Testimony Dec 2000 QPR Filing July 2001	Disallowance: \$16,035.82 Insufficient documentation or information on pages 3590 - 3593 to establish necessity or reasonableness of expense.
1353 - 1529		\$174,503.35	Kennedy Reporting Service See separate spreadsheet for breakdown of reporting service expenses.	Separate Excel spreadsheet.

Bates Page	Adjustment	Amt Requested	Vendor Expense Description	Notes
		\$1,381.43 \$835.38 \$831.31 \$774.25 \$775.91 \$737.58 \$130.40 \$798.70 \$199.68	Leading Edge Personnel Temporary labor for regulatory filing, Dkt 22356, 7 Jan 2001, 14 Jan 2001 Temporary labor for regulatory filing, Dkt 22356, 11 Mar 2001 Temporary labor for regulatory filing, Dkt 22356, 21 Jan 2001, 28 Jan 2001 Temporary labor for regulatory filing, Dkt 22356, 4 Feb 2001 Temporary labor for regulatory filing, Dkt 22356, 18 Feb 2001 Temporary labor for regulatory filing, Dkt 22356, 11 Feb 2001 Temporary labor for regulatory filing, Dkt 22356, 21 Jan 2001 Temporary labor for regulatory filing, Dkt 22356, 18 Mar 2001 Temporary labor for regulatory filing, Dkt 22356, 25 Mar 2001	
3615 - 3619		\$1,402.92 \$2,140.64 \$756.00 \$5,015.22	Legal Matters copies for SB7 Sept 1999 copies for SB7 Oct 1999 copies for Dkt. 21957 Jan 2000 copies for unbundling tariff Apr 2000	
3619-N1		\$25,597.44	Mail Box, Inc. processing (\$6,926.50) and postage (\$18,664.64) for rate change increase mailing mailed on September 16, 2004	
3626 - 3634		\$2,770.16	Marriott Int'l Catering Oct 29 - 30 2002	Expenditures for collaborative sessions that PUC required EGSI to host related to the development of protocols for ESAT.
3639 - 3644		\$9,033.72 \$17,851.13 \$4,147.38 \$333.84 \$3,5000	MCS Group Marketing and communication strategy consultants for TX service filing bill insert June/July 2000. Project supervision, postage, production and shipping of TX service filing bill insert Aug/Sept 2000. Project supervision, printing, shipping of Texas Disconnect Bill Notice Nov. 2000 Postage, shipping and deliver for Deregulation Message April 2001. Insertion management and printing management for TX Application for Certification Bill Insert July 2001.	

Bates Page	Adjustment	Amt Requested	Vendor Expense Description	Notes
3773 - 3757		\$0	Omnifax This is a repeat of an Omni invoice - EGSI not requesting recovery	Bates pages 3736 - 3757 are a repeat of pages 3698 and 3700 - 3720.
3672 - 3734 Includes Supplemental Pages		\$10,338.37 \$9588.14 \$8,193.56 \$2,409.09 \$4,683.07	Omni Hotel Catering Nov 2002 Catering Dec 2002 Catering Oct 2002 Catering Jan 21-22, 2003 Catering Jan 14 - 21, 2003	Expenditures for collaborative sessions that PUC required EGSI to host related to the development of protocols for ESAT.
	\$10.00	\$10.00	Quick Couriers Delivery related to restructuring matters - DE incorporation issues.	Disallowance: \$10.00 Insufficient documentation or information to establish necessity or reasonableness of expense.
		\$2,121.10 \$462.44 \$161.72 \$1,113.77 \$3,193.80	RLS Legal Copies Document preparation for filing, Dkt 25089, 30 Aug 2002 Document preparation for filing, Dkt 25089, 31 Aug 2002 Document preparation for filing, Dkt 25089, 31 Aug 2002 Document preparation for filing, Dkt 25089, 18 Apr 2003 Document preparation for filing, Dkt 25089, 15 Aug 2003	
3779 - 3781		\$959.52 \$241.40	RLS Legal Solutions Copies for distribution 30 Mar 2003 Copies for Dkt. 27684 21 May 2003	
3796 - 3797		\$121.67	Sodexho In-room catering on Sept 27, 2001.	Disallowance: \$121.67 Insufficient documentation or information to establish necessity or reasonableness of expense.
1982 - 2007		\$537.50 \$325.00	Stephen L. Young Texas affiliate rules training, conference calls, course development Jul 2000 Texas affiliate rules training - preparation of draft content Sept 2000	

Bates Page	Adjustment	Amt Requested	Vendor Expense Description	Notes
		\$100.00 \$1,412.50 \$550.00	Texas affiliate rules training – revise content to comply with corporate standards Oct 2000 Texas affiliate rules training – revise content to match video and training manual Dec 2000 Texas affiliate rules training – final edits, Apr 2001	
2253 - 2254	-\$526.13	\$526.13	Temporary Connection Temporary labor, 16 Jul 2000	Disallowance: \$526.13 Insufficient documentation or information to establish necessity or reasonableness of expense.
2364 - 2379	-\$233.46 -\$349.79 -\$205.70 -\$183.48 -\$197.38	\$233.46 \$349.79 \$205.70 \$183.48 \$197.38	United States Postal Service Postage July 1999 Postage Oct 1999 Postage Dec 1999 Postage, no date. Postage, no date.	Disallowance: \$1,169.81 Expenses appear to be for routine O&M.
2380 - 2392	-\$558.50 -\$349.94 -\$158.40 -\$152.17 -\$25.31 -\$76.99 -\$351.68 -\$11.53 -\$40.05 -\$155.90 -\$3.80	\$558.50 \$349.94 \$158.40 \$152.17 \$25.31 \$76.99 \$351.68 \$11.53 \$40.05 \$155.90 \$3.80	West Publishing Internet legal research, Feb 2002 Internet legal research, Mar 2002 Internet legal research, Aug 2003 Internet legal research, Feb 2003 Internet legal research, Oct 2003 Internet legal research, Apr 2003 Internet legal research, Dec 2002 Internet legal research, Feb 2004 Internet legal research, Jan 2004 Internet legal research, Jan 2002 Internet legal research, Aug 2004	Disallowance: \$1,884.27 Expenses appear to be for routine O&M. NOTE: Bates page 2390 (\$6.94) is an invoice from a different vendor.
2546 - 2554N1	-\$1,968.92 -\$640.74 -\$15.51	\$1,968.92 \$640.74 \$15.51	Xerox Copies for filings, April 2000 Copies for filings, July 2000 Copies for filings, July 2000	Disallowance: \$2,729.27 Expenses appear to be for routine O&M.

Bates Page	Adjustment	Amt Requested	Vendor Expense Description	Notes
	-\$6.00	\$6.00	Copies for filings, July 2000	
	-\$18.12	\$18.12	Copies for filings, July 2002	
	-\$18.24	\$18.24	Copies for filings, no invoice, no date, Dkt. 30123 noted on spreadsheet.	
	-\$61.74	\$61.74	No corresponding page, just listed on spreadsheet.	

Total Requested: \$376,447.67

Total Allowed: \$353,970.70

Total Disallowances: \$22,476.97

Kennedy Reporting Invoices

	A	B	C	D	E	F
	Date	Invoice Number	Invoice Total	Docket Number (s)	Bates Number	Duplicate Bates No.
1						
2	2/18/2000	2091	\$ 403.75	2198 et al	1353	
3	3/20/2000	3091	\$ 1,303.75	21950, 21957 et al	1354	
4	3/8/2000	3026	\$ 224.40	21957	1355	
5	4/20/2000	4106	\$ 1,787.00	21984	1356	
6	2/24/2000	2128	\$ 632.50	21950 et al	1357	
7	4/25/2000	4178	\$ 643.75	22356 et al	1358	
8	5/17/2000	5099	\$ 955.60	22356	1359	
9	5/17/2000	5113	\$ 682.00	21984	1360	
10	5/17/2000	5073	\$ 581.50	22356 et al	1361	
11	6/19/2000	6118	\$ 398.40	22356	1362	
12	7/20/2000	7068	\$ 2,216.40	21984	1363	
13	8/16/2000	8080	\$ 1,285.00	22344	1364	
14	8/16/2000	8090	\$ 1,023.60	22344	1365	
15	8/16/2000	8104	\$ 970.00	22344 et al	1366	
16	8/16/2000	8097	\$ 667.70	22344	1367	
17	8/16/2000	8071	\$ 600.20	22344	1368	
18	8/4/2000	8033	\$ 591.25	22344	1369	
19	10/19/2000	10109	\$ 2,052.80	22355	1370	
20	10/10/2000	10057	\$ 842.80	22344	1371	
21	7/20/2000	7096	\$ 438.80	22356	1372	
22	9/27/2000	9139	\$ 362.80	22344 & 22187	1373	
23	9/26/2000	9117	\$ 347.30	22344	1374	
24	9/28/2000	9163	\$ 286.70	22344	1375	
25	9/26/2000	9121	\$ 122.50	21405 & 22429	1376	
26	9/26/2000	9128	\$ 90.00	21984	1377	
27	11/16/2000	11101	\$ 2,531.60	22344	1378	
28	11/7/2000	11018	\$ 2,343.25	22344	1379	
29	12/22/2000	12130	\$ 2,188.00	22350	1380	
30	11/7/2000	11003	\$ 2,053.75	22344	1381	
31	11/16/2000	11111	\$ 2,023.80	22344	1382	
32	11/29/2000	11162	\$ 1,931.50	22344	1383	
33	1/18/2001	101134	\$ 1,502.50	22355	1384	
34	12/22/2000	12131	\$ 1,296.25	22350	1385	
35	1/22/2001	101168	\$ 1,296.25	22350	1386	
36	12/22/2000	12133	\$ 1,198.75	22350	1387	
37	11/16/2000	11118	\$ 1,198.75	22344	1388	

Kennedy Reporting Invoices

	A	B	C	D	E	F
1	Date	Invoice Number	Invoice Total	Docket Number (s)	Bates Number	Duplicate Bates No.
38	11/29/2000	11197	\$ 1,168.15	22356	1389	
39	12/22/2000	12129	\$ 1,127.50	22350	1390	
40	12/22/2000	12127	\$ 1,041.25	22350	1391	
41	1/22/2001	101171	\$ 1,037.50	22350	1392	
42	11/29/2000	11179	\$ 1,036.50	22344	1393	
43	12/22/2000	12132	\$ 985.00	22350	1394	
44	12/22/2000	12125	\$ 973.75	22350	1395	
45	12/22/2000	12124	\$ 943.75	22350	1396	
46	12/22/2000	12128	\$ 883.75	22350	1397	
47	12/22/2000	12134	\$ 876.25	22350	1398	
48	12/22/2000	12126	\$ 838.75	22350	1399	
49	1/18/2001	101125	\$ 808.00	22355	1400	
50	1/18/2001	101129	\$ 721.00	22355	1401	
51	1/4/2001	101060	\$ 529.70	22356	1402	
52	1/18/2001	101122	\$ 433.10	22355	1403	
53	1/22/2001	101162	\$ 407.50	22356	1404	
54	1/18/2001	101119	\$ 395.20	22355	1405	
55	12/4/2000	12010	\$ 372.05	22356 & 23044	1406	
56	1/18/2001	101114	\$ 318.20	22355	1407	
57	11/13/2000	11085	\$ 311.20	22344, 21409, 28870	1408	
58	1/4/2001	101079	\$ 310.00	22356 et al	1409	
59	11/29/2000	11178	\$ 276.20	22344	1410	
60	11/7/2000	11012	\$ 233.35	22344	1411	Dup. See Bates 1430 & 1439CM
61	11/7/2000	11026	\$ 122.65	22344	1412	
62	11/7/2000	11024	\$ 122.50	22344	1413	
63	11/13/2000	11077	\$ 103.75	21984 & 22276	1414	
64	1/25/2001	101185	\$ 1,990.00	22355	1415	
65	1/25/2001	101178	\$ 1,206.25	22355	1416	
66	1/25/2001	101190	\$ 1,063.75	22355	1417	
67	1/3/2001	101003	\$ 919.20	Various	1418	
68	1/25/2001	101182	\$ 767.50	22355	1419	
69	3/12/2001	103050	\$ 1,626.70	Various	1420	
70	2/15/2001	102073	\$ 1,458.90	22344	1421	
71	2/6/2001	102008	\$ 1,268.00	22356	1422	
72	3/7/2001	103020	\$ 1,024.00	22356	1423	
73	2/6/2001	102007	\$ 954.80	22356	1424	

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	A	B	C	D	E	F
	Date	Invoice Number	Invoice Total	Docket Number (s)	Bates Number	Duplicate Bates No.
1						
74	2/22/2001	102138	\$ 863.00	22344	1425	
75	3/7/2001	103018	\$ 659.20	22356	1426	
76	2/15/2001	102085	\$ 640.80	22356	1427	
77	3/7/2001	103019	\$ 283.00	22356	1428	
78	2/23/2001	102147	\$ 275.05	22356, 22344, 23335	1429	
79	11/7/2000	11012	\$ 233.35	22344	1430	Dup. See 1411 & 1439CM
80	2/16/2001	102125	\$ 112.40	Varlos UCOS	1431	
81	4/17/2001	104037	\$ 3,862.60	22356	1432	
82	4/17/2001	104036	\$ 3,327.80	22356	1433	
83	4/17/2001	104038	\$ 1,765.00	22356	1434	
84	3/27/2001	103114	\$ 1,309.00	22356	1435	
85	4/4/2001	104025	\$ 807.60	22356	1436	Dup. Bates 1441
86	4/4/2001	104013	\$ 201.25	22356, 22344, 21409	1437	
87	3/22/2001	103090	\$ 173.50	22344 & 22356	1438	
88	4/5/2001	CREDIT MEMO	\$ (233.35)	Dup Pymt of Inv. 11012	1439	See Bates 1411 & 1430
89	6/7/2001	106049	\$ 731.00	Various	1440	
90	6/5/2001	106008	\$ 130.00	22356	1442	
91	7/23/2001	107082	\$ 90.00	22356	1443	
92	9/20/2001	109116	\$ 2,791.00	24469	1444	
93	9/20/2001	109121	\$ 2,198.20	24469	1445	
94	9/20/2001	109113	\$ 1,556.00	24468	1446	
95	9/20/2001	109120	\$ 1,113.60	24468	1447	
96	9/17/2001	109096	\$ 655.90	24468	1448	
97	9/14/2001	109066	\$ 396.25	Various	1449	
98	9/17/2001	109097	\$ 226.70	24469	1450	
99	11/20/2001	111082	\$ 268.30	22356, 24469	1451	
100	10/10/2001	110073	\$ 3,009.60	24468	1452	
101	10/2/2001	110003	\$ 2,101.10	24469	1453	
102	10/30/2001	110156	\$ 2,015.80	24469	1454	
103	10/4/2001	110038	\$ 1,737.70	24469	1455	
104	11/16/2001	111040	\$ 1,595.50	24469	1456	
105	10/10/2001	110076	\$ 1,217.80	24469	1457	
106	10/10/2001	110079	\$ 1,076.40	24469	1458	
107	11/16/2001	111036	\$ 841.60	24469	1459	
108	10/10/2001	110072	\$ 829.20	24468	1460	
109	10/2/2001	110007	\$ 679.10	24468, 24469	1461	

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	A	B	C	D	E	F
	Date	Invoice Number	Invoice Total	Docket Number (s)	Bates Number	Duplicate Bates No.
110	10/30/2001	110155	\$ 628.75	24468	1462	
111	10/4/2001	110034	\$ 626.95	24468	1463	
112	10/11/2001	110096	\$ 465.90	22356, 24190	1464	
113	11/16/2001	111070	\$ 392.10	20314, 20125, 19950	1465	
114	10/10/2001	110082	\$ 271.60	24469	1466	
115	10/10/2001	110077	\$ 260.40	24469	1467	
116	11/16/2001	111038	\$ 197.20	24469	1468	
117	8/21/2001	108058	\$ 138.40	23774	1469	
118	12/5/2001	112022	\$ 340.00	24468 & 24460	1470	
119	6/27/2001	106088	\$ 459.00	23774	1471	
120	7/19/2001	107072	\$ 418.60	24309	1472	
121	6/27/2001	106100	\$ 145.00	23774	1473	
122	4/18/2002	204081	\$ 3,896.80	25089	1474	
123	3/12/2002	203032	\$ 3,074.90	25089	1475	
124	4/9/2002	204014	\$ 2,266.90	25089	1476	
125	3/27/2002	203097	\$ 1,893.20	25089	1477	
126	5/7/2002	205019	\$ 3,145.60	25089	1478	
127	7/24/2002	207046	\$ 134.00	26168	1479	
128	10/9/2002	210025	\$ 2,449.00	25089	1480	
129	10/15/2002	210043	\$ 315.70	25089	1481	
130	12/11/2002	212038	\$ 135.80	25089	1482	
131	2/4/2002	202011	\$ 2,281.90	25089	1483	
132	12/31/2001	112096	\$ 1,720.50	25089	1484	
133	1/23/2002	201017	\$ 896.60	24460 et al	1485	
134	2/4/2002	202028	\$ 216.25	24468, 24687, 24888	1486	
135	2/25/2002	202128	\$ 2,472.40	25089	1487	
136	2/12/2002	202069	\$ 1,277.50	25089	1488	
137	5/31/2002	205117	\$ 704.80	25089	1489	
138	4/22/2003	304059	\$ 1,785.05	25089	1498	
139	7/30/2002	207070	\$ 545.20	26168	1490	
140	12/5/2003	312042	\$ 95.00	28461, 28504	1491	
141	2/12/2003	302038	\$ 751.90	27273	1492	
142	3/5/2003	303014	\$ 894.40	25089	1493	
143	3/19/2003	303089	\$ 562.00	25395, 26556	1494	
144	3/25/2003	303127	\$ 294.40	25089, 27273	1495	
145	2/27/2003	302088	\$ 237.40	27273, 25089	1496	

Kennedy Reporting Invoices

	A	B	C	D	E	F
	Date	Invoice Number	Invoice Total	Docket Number (s)	Bates Number	Duplicate Bates No.
1						
146	5/5/2003	305015	\$ 3,635.40	25089	1497	
147	4/22/2003	304051	\$ 1,491.00	25089	1499	
148	4/23/2003	304072	\$ 395.15	25089	1500	
149	4/22/2003	304055	\$ 227.00	25089	1501	
150	5/5/2003	305013	\$ 220.90	25089	1502	
151	5/1/2003	305001	\$ 1,556.00	25089	1503	
152	6/20/2003	306053	\$ 1,743.00	25089	1504	
153	7/17/2003	307037	\$ 663.30	25089	1505	
154	6/20/2003	306052	\$ 522.40	25089	1506	
155	5/14/2003	305045	\$ 431.20	Various	1507	
156	5/28/2003	305079	\$ 362.80	25089	1508	
157	7/21/2003	307047	\$ 340.00	25089	1509	
158	7/31/2003	307067	\$ 867.10	Various	1510	
159	8/7/2003	308027	\$ 461.00	25089	1511	
160	7/28/2003	307053	\$ 408.40	25089	1512	
161	8/7/2003	308024	\$ 366.50	25089	1513	
162	8/7/2003	308025	\$ 218.00	25089	1514	
163	8/7/2003	308026	\$ 200.00	25089	1515	
164	8/7/2003	308028	\$ 159.50	25089	1516	
165	8/21/2003	308089	\$ 3,155.80	25089	1517	
166	8/21/2003	308088	\$ 1,138.00	25089	1518	
167	8/12/2003	308072	\$ 105.50	24336	1519	
168	1/14/2004	401033	\$ 588.00	28818	1520	
169	2/10/2004	402034	\$ 256.00	28818	1521	
170	2/3/2004	402008	\$ 176.60	28818	1522	
171	6/9/2004	406025	\$ 2,532.00	28818	1523	
172	6/9/2004	406024	\$ 492.00	28818	1524	
173	9/23/2004	409126	\$ 210.00	30163	1525	
174	8/27/2004	408118	\$ 113.00	28938, 28818	1526	
175	9/22/2004	409118	\$ 276.00	30123, 28818	1527	
176	9/21/2004	409096	\$ 95.00	28818	1528	
177	10/8/2004	410055	\$ 336.00	30123	1529	
178	5/1/2005	505022	\$ 7,098.20	28840	4354	
179			\$ 174,503.35			

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DIRECT TESTIMONY
OF
J. DAVID WRIGHT
ON BEHALF OF
ENTERGY GULF STATES, INC.

AUGUST 2005

in his testimony, Mr. Wright calculates the annual revenue requirement to recover the Company's Transition to Competition costs, explains the pro forma adjustment to reflect the accrual of Allowance for Funds Used During Construction on the capital component of these costs for the months of April, May, and June (through June 17), 2005, and explains the accounting treatment that the Company will use for these Transition to Competition costs. In discussing the calculation of the annual revenue requirement, Mr. Wright supports the calculation of carrying charges applied to the Transition to Competition costs. Mr. Wright also discusses the annual reports that Entergy Gulf States filed with the Commission as required by Senate Bill 7, which show that Entergy Gulf States has not recovered its Transition to Competition cost through its rates.

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I. Witness Identification and Purpose of Testimony	1
A. Introduction and Qualifications	1
B. Purpose of Testimony	2
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II. The Revenue Requirement for the Transition to Competition Rider	4
III. Accounting for the TTC Costs	12

EXHIBITS

Exhibit JDW-1	Educational and Professional Background
Exhibit JDW-2	Annual Revenue Requirement for Transition to Competition Costs
Exhibit JDW-3	Carrying Charge Calculation
Exhibit JDW-4	Annual Reports for Years 1999 - 2004

5 Inc., 425 West Capitol Avenue, Little Rock, Arkansas 72201.

6

7 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

8 A. I am employed by Entergy Services, Inc. ("ESI") as Director of Regulatory
9 Accounting.

10

11 Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

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

14

15 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
16 PROFESSIONAL EXPERIENCE.

17 A. A summary of my education and work experience is included as Exhibit
18 JDW-1.

19

20 Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY?

21 A. I am responsible for preparing regulatory accounting data for the utility
22 operating companies of Entergy Corporation. This includes the

5 AUTHORITY?

6 A. Yes, I have. I have testified regarding regulatory accounting matters
7 including per books accounting data, pro forma adjustments, and related
8 topics before the Public Utility Commission of Texas ("PUCT" or the
9 "Commission"), the Arkansas Public Service Commission, the Louisiana
10 Public Service Commission, the Council of the City of New Orleans, the
11 Mississippi Public Service Commission, and the Federal Energy
12 Regulatory Commission ("FERC"). These appearances are listed by
13 Docket Number on Exhibit JDW-1.

14

15 B. Purpose of Testimony

16 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
17 PROCEEDING?

18 A. The purpose of my testimony is to calculate the annual revenue
19 requirement to recover the Company's Transition to Competition ("TTC")
20 costs, to support the calculation of carrying charges applied to the TTC
21 costs, to explain the pro forma adjustment to reflect the accrual of
22 Allowance for Funds Used During Construction ("AFUDC") on the capital

5 2004. These reports show that the Company / has not previously
6 recovered its TTC costs through its rates.

7

8 C. Exhibits

9 Q. DO YOU SPONSOR ANY EXHIBITS?

10 A. Yes. The following exhibits are attached in support of my Direct
11 Testimony:

12	<u>Exhibit</u>	<u>Description</u>
	Exhibit JDW-1	Educational and Professional Background
	Exhibit JDW-2	Annual Revenue Requirement for Transition to Competition Costs
	Exhibit JDW-3	Carrying Charge Calculation
	Exhibit JDW-4	Annual Reports For Years 1999 - 2004

13

14 Q. DO YOU SPONSOR ANY PRO FORMA ADJUSTMENTS?

15 A. Yes. As I explain again later in my testimony, I sponsor the pro forma
16 adjustment to reflect the accrual of AFUDC to the TTC capital costs for
17 the months of April, May, and June (through June 17), 2005 (pro forma

6 Q. WHAT IS THE TOTAL DOLLAR AMOUNT OF TTC COSTS THAT EGS
7 ASKS TO RECOVER IN THIS DOCKET?

8 A. As shown on Exhibit JDW-2, the total TTC costs for the TTC cost period
9 (June 1, 1999 through June 17, 2005) is \$164,240,109, including AFUDC,
10 but not including carrying costs on expenses incurred during that time
11 period. The carrying charges on the operations and maintenance ("O&M")
12 cost from the times those expenses were incurred through February 28,
13 2006 (the day before the proposed effective date of the Rider) are
14 \$19,012,684. In addition, the AFUDC on the capital costs from June 18,
15 2005 through February 28, 2006 is \$6,124,822. The total TTC costs,
16 including carrying charges and AFUDC through February 28, 2006, is
17 \$189,377,615.

18

19 Q. WHY IS EGS SEEKING TO RECOVER THE TTC COSTS OVER A
20 FIFTEEN-YEAR PERIOD?

21 A. House Bill ("HB") 1567 states that the recovery period for TTC costs shall
22 not exceed fifteen years. In calculating the annual revenue requirement
23 for the recovery of the TTC costs through the Transition to Competition

5 shorter recovery period.

6

7 Q. WHAT IS THE ANNUAL REVENUE REQUIREMENT NECESSARY TO
8 RECOVER EGSİ'S REQUESTED TTC COSTS OVER A FIFTEEN-YEAR
9 PERIOD?

10 A. As shown on Exhibit JDW-2, the annual revenue requirement for a
11 levelized recovery of the total TTC costs of \$189,377,615 over a fifteen-
12 year period is \$24,092,001, exclusive of the gross-up for income taxes. It
13 also is necessary to reflect an income tax gross-up on the equity
14 component of the AFUDC accrued on the capital costs and on the equity
15 component of the carrying charges. This amount is \$15,654,305.
16 Amortizing this amount over fifteen years results in an income tax gross-
17 up of \$1,043,620, which is then added to the \$24,092,001 annual revenue
18 requirement. Thus, the resulting total annual revenue requirement,
19 including the income tax gross-up, is \$25,135,621.

20

5 through June 17, 2005), including AFUDC; (2) carrying costs on the O&M
6 expenses incurred during the TTC cost period; (3) the associated
7 accumulated deferred income taxes ("ADIT") on the costs in items 1 and
8 2; (4) carrying charges and AFUDC for the period from June 18, 2005 to
9 the effective date of Rider TTC; (5) carrying charges for the fifteen-year
10 recovery period starting with the effective date of Rider TTC; and (6) the
11 income tax gross-up on the equity components of AFUDC.

12

13 Q. HOW WERE THOSE COSTS DEVELOPED?

14 A. The TTC costs were provided to me by Company witnesses William T.
15 Craddock, Thomas R. Manasco, Phillip R. May, Andrew E. Quick, and
16 Karen M. Radosevich. The costs that Messrs. Manasco, May, and Quick
17 and Ms. Radosevich provided to me reflect AFUDC on capital expenses
18 through the end of March, 2005. In order to reflect AFUDC on those
19 capital expenses through the end of the TTC cost period (June 17, 2005),
20 I made a pro forma adjustment to each of these four witnesses' costs to
21 add 2.5 months of AFUDC (pro forma adjustment AJ009).

5 through the month the costs are transferred to a plant in service account
6 or to Account 182, Regulatory Assets. The AFUDC rate (e.g., 8.50%) is
7 established by a formula in the Uniform System of Accounts. Under the
8 formula, EGSI's AFUDC rate depends on the EGSI's actual cost of debt,
9 the return on common equity authorized by EGSI's regulators, and EGSI's
10 actual capital structure.

11 The ADIT in my calculation of the annual revenue requirement
12 reflect (1) temporary timing differences between book and tax return
13 amounts and (2) ADIT applicable to TTC costs that were expenses during
14 the TTC cost period.

15 For the carrying cost rate, I have used the Company's most
16 recently approved weighted cost of capital of 9.67% per the Order
17 approving the Settlement Agreement in Docket No. 20150.¹ This overall
18 rate of return is the appropriate rate to use, as opposed to an updated
19 authorized weighted cost of capital, because it represents the cost of
20 money the Company incurs for investments in rate base, i.e., items that

¹ *Application of Entergy Gulf States, Inc. for Authority to Change Rates*, Docket No. 20150, Order at FoF 48 (June 30, 1999).

5 The Company will not incur these income taxes until it receives the
6 revenues from the Rider so it would not be appropriate to add a carrying
7 charge on these income taxes. For this reason, the income taxes are not
8 included in the total TTC costs to be recovered, but are amortized over
9 fifteen years.

10

11 Q. HOW HAVE YOU APPLIED THE CARRYING COSTS?

12 A. Exhibit JDW-3 shows the calculation of \$19,012,684 in carrying charges
13 for the TTC costs prior to the effective date of Rider TTC. I have taken
14 the costs as provided by the various Company witnesses and have
15 calculated carrying charges on all O&M expenses (net of deferred taxes)
16 beginning with the month the expense was incurred up through the end of
17 the month preceding the effective date of Rider TTC (that is, through the
18 end of February 2006). I also have calculated AFUDC on the capital
19 costs beginning June 18, 2005 through the end of the month preceding
20 the effective date of Rider TTC (again, through the end of February 2006).

21 In addition to applying carrying costs to the TTC costs through the
22 end of the month preceding the effective date of Rider TCR, I have

5 Q. HAS THE COMPANY PREVIOUSLY RECOVERED ITS TTC COSTS?

6 A. No. EGSi has never reflected TTC costs in its rates. In addition, EGSi's
7 annual reports reflect that, during the TTC cost period, EGSi has not
8 earned its authorized rate of return under its current base rates. Thus,
9 EGSi has not recovered these costs.

10

11 Q. WHAT ARE THE ANNUAL REPORTS YOU JUST REFERENCED?

12 A. Senate Bill ("SB") 7 established an earnings monitoring process referred
13 to by the Commission as the "annual report process." SB 7 required each
14 investor owned utility ("IOU") to file an annual report reporting the IOU's
15 over-earnings or under-earnings, calculated in a method prescribed by SB
16 7, during the rate freeze established by SB 7. My Exhibit JDW-4 is a copy
17 of the annual reports that the Commission filed with the Commission for
18 the years 1999 through 2004.

19

5 expenses and allowed return. If an IOU reported over-earnings in its
6 annual report, SB 7 directed that those over-earnings be refunded to the
7 IOU's customers unless they were used in a certain manner for the benefit
8 of the customers.

9 The annual report process contemplated that an IOU could recover
10 its transition costs by including the transition costs as an additional
11 expense in its annual report and thereby reducing its over-earnings. As
12 described above, EGSi has not had over-earnings in any year during the
13 TTC cost period and, thus, has not been able to previously recover its
14 TTC Costs.

15

16 Q. WHY IS IT APPROPRIATE TO UTILIZE THE ANNUAL REPORTING
17 PROCESS AS A MEANS TO DEMONSTRATE THAT THESE COSTS
18 HAVE NOT BEEN PREVIOUSLY RECOVERED?

19 A. As stated, the Commission has indicated in past orders that transition
20 costs could be recovered by including them in the annual report process
21 established by SB 7 and thereby reducing over-earnings. The annual
22 reporting process also provides a readily accessible resource for

5

6 Q. WHAT DO THE ANNUAL REPORTS SHOW WITH RESPECT TO THE
7 YEARS OVER WHICH THE TRANSITION COSTS WERE INCURRED?

8 A. The Company's annual reports reflect that the Company has not earned
9 its Commission-authorized rate of return. That is, EGSI has under-earned
10 in each of the six years from 1999 through 2004. EGSI's under-earnings
11 by year are provided in the table below.

12

EGSI Texas' Earnings Deficiency Reported in the Annual Reports (\$MM)	
1999	(18.485)
2000	(10.745)
2001	(41.602)
2002	(22.359)
2003	(30.486)
2004	(28.885)
Total	(152.562)

13

14 These under-earnings are supported by EGSI's annual earnings reports
15 filed with the Commission. The total TTC costs for the period include

5 non-capital expenses are less than the under-earnings shown above.

6

7

III. ACCOUNTING FOR THE TTC COSTS

8 Q. HOW WILL THE COMPANY ACCOUNT FOR THE TTC COSTS DURING
9 THE RECOVERY PERIOD?

10 A. As authorized by HB 1567, the Company will set up a regulatory asset on
11 its books in FERC Account 182.3, Other Regulatory Assets. This
12 Regulatory Asset will be amortized to expense over the fifteen-year cost
13 recovery period.

14

15 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

16 A. Yes.

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1 EDUCATIONAL AND PROFESSIONAL BACKGROUND OF
2 J. DAVID WRIGHT

3
4 Q. PLEASE SUMMARIZE YOUR EDUCATION, PROFESSIONAL AND
5 WORK EXPERIENCE.

6 A. I graduated in 1976 from the University of Central Arkansas at Conway,
7 Arkansas with a Bachelor of Business Administration degree in
8 accounting. In May 1976 I began four years of employment with a local
9 CPA firm in Little Rock. I performed audit and tax work at this firm and left
10 in 1980 as a senior accountant. In 1978 I became a Certified Public
11 Accountant. I began work in the Entergy System with Arkansas Power &
12 Light Company in 1980 and have held various technical and supervisory
13 positions including accountant, senior accountant, accounting supervisor,
14 Manager, Taxes and Special Studies, and Manager, Regulatory
15 Accounting and Tax. My job duties in all of these assignments included
16 preparing accounting data for rate filings, reviewing testimony on
17 accounting issues and drafting testimony on accounting issues in various
18 rate proceedings. I was named Manager, Regulatory Accounting for
19 Entergy Services, Inc. in January 1993, have been in my present position
20 as Director, Regulatory Accounting, since October 1998. I am a member
21 of the Arkansas Society of Certified Public Accountants and the American
22 Institute of Certified Public Accountants.

23 I am responsible for preparing regulatory accounting data for the
24 operating companies of Entergy Corporation. This includes the
25 preparation of accounting and filing of regulatory accounting testimony.

1 I have provided testimony as an expert accounting witness in the
2 following dockets:

3
4 Arkansas Public Service Commission

5 Docket No. 92-160-U

6 Docket No. 94-439-U

7 Docket No. 96-360-U

8 Docket No. 99-249-U

9 Docket No. 00-383-U

10 Docket No. 01-056-U

11 Docket No. 01-084-U

12
13 Louisiana Public Service Commission

14 Docket No. U-19904-C

15 Docket No. U-19904-D

16 Docket No. U-20181

17 Docket No. U-20925

18 Docket No. U-21485

19 Docket No. U-22084

20 Docket No. U-22137

21 Docket No. U-22138

22 Docket No. U-22092

23 Docket No. U-22491

24 Docket No. U-23358

25 Docket No. U-24182

26 Docket No. U-24993

1 Docket No. U-25460
2 Consolidated Dockets No. U-21453, U-20925,
3 and U-22092 (SubpartB)
4 Docket No. U-25687
5 Docket No. U-26527
6

7 Council of the City of New Orleans

8 Docket No. UD-92-2A
9 Docket No. UD-92-2B
10 Docket No. UD-97-1
11 Docket No. UD-99-1
12 Docket No. UD-01-04
13

14 Mississippi Public Service Commission

15 Docket No. 93-UA-0301
16 Docket No. 94-UN-0228
17 Docket No. 96-UN-0351
18 Docket No. 96-UA-0389
19 Docket No. 01-UA-59
20 Docket No. 02-UN-0526
21

22 Public Utility Commission of Texas

23 Docket No. 12852
24 Docket No. 15102
25 Docket No. 15489
26 Docket No. 16705

1	Docket No. 20150
2	Docket No. 22344
3	Docket No. 22356
4	Docket No. 31315
5	
6	<u>Federal Energy Regulatory Commission</u>
7	Docket No. ER-95-1042-000
8	Docket No. RT-01-75

Entergy Gulf States, Inc.
Transition to Competition Rider
Annual Revenue Requirement

Total Transition Cost to Recover	\$189,377,615
Accumulated Deferred Income Taxes	(\$48,888,425)
Annual Rider TTC Revenue Requirement Before Income Tax Gross-up	\$24,092,001
Before Tax Rate of Return	12.71%

Annual Revenue Requirement					
Year	Return	TTC Recovery	Balance TTC Costs	Balance ADIT	Net TTC Rate Base
			189,377,615	(48,888,425)	140,489,190
1	17,856,176	6,235,825	183,141,790	(47,278,627)	135,863,163
2	17,268,208	6,823,793	176,317,996	(45,517,043)	130,800,953
3	16,624,801	7,467,200	168,850,796	(43,589,362)	125,261,434
4	15,920,728	8,171,273	160,679,522	(41,479,922)	119,199,600
5	15,150,269	8,941,732	151,737,790	(39,171,586)	112,566,204
6	14,307,165	9,784,836	141,952,953	(36,645,600)	105,307,353
7	13,384,565	10,707,436	131,245,517	(33,881,442)	97,364,075
8	12,374,974	11,717,027	119,528,489	(30,856,655)	88,671,834
9	11,270,190	12,821,811	106,706,678	(27,546,664)	79,160,014
10	10,061,238	14,030,763	92,675,915	(23,924,578)	68,751,337
11	8,738,295	15,353,706	77,322,208	(19,960,971)	57,361,237
12	7,290,613	16,801,388	60,520,820	(15,623,640)	44,897,180
13	5,706,432	18,385,569	42,135,250	(10,877,347)	31,257,903
14	3,972,880	20,119,121	22,016,129	(5,683,533)	16,332,596
15	2,075,873	22,016,128	0	0	0
		<u>189,377,615</u>			

Annual Rider TTC Revenue Requirement Before Income Tax Gross-up	\$24,092,001
AFUDC Income Tax Gross-up	\$9,683,256
Carrying Charge Income Tax Gross-up	<u>5,971,049</u>
Total Income Tax Gross-up	<u>15,654,305</u>
Amortized over 15 Years	<u>1,043,620</u>
Annual Rider TTC Revenue Requirement Including Income Tax Gross-up	<u>\$25,135,621</u>

Entergy Gulf States, Inc.
Transition to Competition Rider
Annual Revenue Requirement

Transition Costs to Recover		
	Costs	Deferred Taxes
Transition to Competition - O&M Costs	62,577,857	(21,902,250)
Transition to Competition - Capital Costs	101,662,252	(26,986,175)
Subtotal TTC Costs	164,240,109	(48,888,425)
Transition to Competition O&M Costs - Carrying Charges	19,012,684	
Transition to Competition Capital Costs - AFUDC	6,124,822	
Total Transition Costs to Recover	189,377,615	

AFUDC Income Tax Gross-up		
	Costs	AFUDC-Equity
AFUDC-Debt	9,174,874	
AFUDC-Equity	14,077,715	14,077,715
Total AFUDC	23,252,589	
(Total AFUDC included in Transition to Competition - Capital Cost amount of \$101,662,252)		
AFUDC-Debt	2,219,348	
AFUDC-Equity	3,905,474	3,905,474
Total AFUDC	6,124,822	
(AFUDC for the time period June 18, 2005 through February 28, 2006)		
Total AFUDC-Equity Amounts		17,983,189
Divided by (1 - 35% (Tax Rate))		65%
		27,666,445
Tax Gross-up for AFUDC Equity (27,666,445 - 17,983,189)		9,683,256

Carrying Charge Income Tax Gross-up		
Carrying Charge (Equity Amount)	11,089,091	11,089,091
Carrying Charge (Debt Amount)	7,923,593	
	19,012,684	
Divided by (1 - 35% (Tax Rate))		65%
		17,060,140
Tax Gross-up for Carrying Charge (17,060,140 - 11,089,091)		5,971,049

		9.67%													
		8.50%													

Carrying charges are calculated on net (total cost less deferred taxes) O&M costs beginning the month after the cost were originally incurred through February 28, 2006. Carrying charges are compounded annually.

AFUDC charges are calculated on Capital costs beginning on June 18, 2005 through February 28, 2006.

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**ANNUAL REPORT
PURSUANT TO §39.257 OF THE
PUBLIC UTILITY REGULATORY ACT
OF**

22276

ENTERGY GULF STATES, INC.

**TO THE
PUBLIC UTILITY COMMISSION OF TEXAS
FOR THE**

Twelve Months Ending December 31, 1999



Check one:

This is an original submission []
This is a revised submission [X]

Date of submission May 9, 2000

99

COMPANY NAME: ENTERGY GULF STATES, INC.
REPORT YEAR: 1999

SCHEDULE I

REVISED 4/13/01

DETERMINATION OF EXCESS EARNINGS

1	Annual Revenues (As Adjusted)	<u>447,897,404.81</u>	Sch II
2	Annual Costs (As Adjusted)	<u>353,043,536.03</u>	Sch III
3	Allowed Return	<u>113,339,091.20</u>	Sch V
4	Excess Return (Deficit) (Line 1 minus lines 2 & 3)	<u>(18,485,222.42) *</u>	

*Revised to reflect effect of Tax Stipulation Agreement.

Schedule II

Company Name
Report Year
ENTERGY GULF STATES, INC.
1999

Annual Revenues
Report Year

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Page # Line #	Total Per Form 1	Adjustments	Texas Jurisdiction (b)(1)	Fuel	Purchased Power	TCOS 30.004 30.005 30.007	Transition Charges 30.302	Revenue Injection 30.007(d)	Sub-Total (b)-(d)-(f)-(g)-(h)-(i)
TOTAL REVENUES									
1 Base (1)	985,115,914	595,916,320	382,189,594	0	0			10,877,710	383,077,304
2 Fuel (1)	815,422,713	441,604,469	377,768,214	377,768,214	0			0	0
3 PCRF	0	0	0	0	0			0	0
4 CW System Sales	147,547,530	114,368,928	33,148,622	33,148,622	0			0	0
5 Other	146,273,205	93,453,105	54,820,101	0	0			0	54,820,101
6 Total Revenue	2,094,359,363	1,238,402,832	847,855,931	410,858,836	0	0	0	10,877,710	447,887,405
									0
									447,887,405

(1) Pages 304 through 304.4 and subsequent notes detail the breakdown of base and fuel revenues by customer class on several lines in the FERC Form 1

*Revised to reflect correct revenue adjustment amount. No change to Texas jurisdictional revenues

Schedule III
REVISED 4/13/01

Company Name: ENTERGY GULF STATES, INC.
Report Year: 1999

Annual Costs

	(a)	(b)	(c)	(d)	(e)	(f)
	Page # Line #	Total Per FERC Form 1	Adjustments	Taxes Jurisdiction (b)-(c)	Adjustments Related to Implementation of S87	Adjusted Costs (b)+(e)
TOTAL EXPENSES						
1 Decommissioning Expense (1)	P 115 L 6	7,587,935	3,822,935	3,886,000		3,886,000
2 Amortization Expense (2)	P 115	69,986,729	77,744,729	(7,778,000)		(7,778,000)
3 Depreciation Expense (3)	P 115 L 6	178,986,323	113,373,419	63,611,904		63,611,904
4 Interest on Customer Deposits (4)	P 112 L 38	1,833,755	633,004	800,751		800,751
5 Taxes Other Than Income Taxes (5)	P 115 L 13	109,906,455	62,957,399	47,038,066		47,038,066
6 State Income Taxes				0		0
7 Federal Income Taxes (from Sch M)				0		0
8 Deferred Expenses				0		0
9 O&M Savings Tracker	N/A		47,582,000	21,873,764		21,873,764
10 Other Expenses	P 115 L 21	(88,166)	(88,166)	0		0
11 Lessee of Report Year Adjusted O&M (Sch III-A) or 1999 Adjusted O&M (Sch III-B)				189,641,021		189,641,021
12 TOTAL ANNUAL COSTS				318,852,508	0	363,043,536

(1) Decommissioning is not listed as a separate line item in FERC Form 1. It is a component of the depreciation expense listed on page 115 (Electric Utility), line 6. Decommissioning is the sum of accounts 403.05, 403.06, 403.07 and 403.08

(2) Amortization expense is the sum of lines 7, 9, 11 and 13 of page 115 (Electric Utility) of Form 1

(3) Depreciation is not listed as a separate line item in FERC Form 1. It is a component of the depreciation expense listed on page 115 (Electric Utility), line 6.

(4) Interest on customer deposits is not listed as a separate line item in FERC Form 1. It is a component of the interest accrued listed on page 112, line 38. The interest is recorded in account 237.002.

(5) Schedule attached showing taxes other than income by line item.

*Revised to reflect effect of Tax Stipulation Agreement.

Company Name: ENTERGY GULF STATES, INC.
Report Year: 1999

Schedule III-A

Calculation of Adjusted Report Year Expenses

1	Total Operations & Maintenance Expense	1,402,291,361
2	Adjustments	<u>800,567,189</u>
3	Texas Jurisdictional (Line 1 - Line 2)	601,724,172
	Plus:	
4	Factoring not included in O&M	
	Less:	
5	Expenses under 36.062	87,396
6	Fuel expenses under 36.203	411,995,755
7	Purchased Power expenses 36.205	0
8	Revenues under Interutility Billing Process 35.004,35.006,35.007	<u> </u>
9	Adjusted Report Year O&M Expense (Line 3 + Line 4 - Line 5 - Line 6 - Line 7 - Line 8)	<u>189,641,021</u>

Company Name: ENTERGY GULF STATES, INC.
Report Year: 1999

Schedule III-B

Calculation of Adjusted 1996 O&M Expense

1	Total Operations & Maintenance Expense		1,183,455,198
2	Adjustments		712,249,548
3	Texas Jurisdictional (Line 1 - Line 2)		471,205,650
	Plus:		
4	Factoring not included in O&M		
	Less:		
5	Expenses Under 36.062		45,677
6	Fuel expenses under 36.203		284,598,698
7	Purchased Power expenses 36.205		<u>0</u>
8	Subtotal (Line 3 + Line 4 - Line 5 - Line 6 - Line 7)		186,563,275
9	Percent change in average number of customers (See below)		<u>7.05%</u>
10	O&M adjusted for customer growth (Line 8 * Line 9)	(1)	199,715,184
11	Difference between revenues & expenses 35.004,35.006,35.007		<u>0</u>
12	Adjusted 1996 O&M (Line 10 + Line 11)		<u>199,715,184</u>

(1) Calculation adjusted to reflect effect of percentage increase of customers.

Calculation of percentage change in average number of utility customers:

13	Average Number of Retail Customers Current Year	337,948
14	Average Number of Retail Customers 1996	315,893
15	% Change Between Current Year and 1996 (Line 13 - Line 14) / Line 14	7.05%

Company Name: ENTERGY GULF STATES, INC.
Report Year: 1999

Schedule IV
REVISED 4/13/01

Federal Income Taxes

1 RETURN (see instructions)

Less:

- 2 Interest Included in Return**
- 3 Amortization of ITC**
- 4 Amortization of DFIT (Excess)**
- 5 Preferred Dividend Exclusion**
- 6 Other (Attach detail) Amortizations**

Add:

- 7 Depreciation Addback-Perm. Diff.**
- 8 Business Meals Not Deductible**
- 9 Other (Attach detail) SFAS 109**

10 TAXABLE COMPONENT OF RETURN

11 TAX FACTOR (1/.65)(.35)

X .53846154

12 TOTAL FIT BEFORE ADJUSTMENTS

Amortization of ITC

- 13 a. Nuclear - Unit 1**
- 14 b. Nuclear - Unit 2**
- 15 c. Non-nuclear**

Amortization of Excess Def. Taxes

- 16 a. Protected**
- 17 b. Unprotected**
- 18 Other**

19 TOTAL FEDERAL INCOME TAXES*

34,191,030

*Revised to reflect effect of Tax Stipulation Agreement. Taxes calculated at 9.67% return on equity and 9.57% return on equity and divided by 2 (see workpapers WP/Schedule IV/A-9 and WP/Schedule IV/A-10)

WP/Schedule IV/A-9	33,888,793
WP/Schedule IV/A-10	<u>34,493,268</u>
	68,382,061
	<u>/2</u>
	<u>34,191,030</u>