

|                      | Regular |
|----------------------|---------|
| 43,373,677           | yes     |
| 4,142,472            | yes     |
| 2,265                | yes     |
| 607,932              | yes     |
| 255,770              | yes     |
| 15,480               | yes     |
| 37,097               | yes     |
| 470                  | yes     |
| <u>\$ 48,435,163</u> |         |

# 2006 Incentive Compensation Measures Template Transmission (Savoff)

Attachment 1

WP/RNF Reb. Test./3  
Docket No. 34800  
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| Measure Category                                                              | Measure Description                                         | Measure Definition/Formula                                                                                                                                                                                                                                   | Alignment to Corporate Objectives                                                                                                                                                                                                                                                                            | Unintended Consequences                                                                                                                                                                                                                                       | Data Elements/Sources                                                                                                                                        |
|-------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Is this measure<br>1) safety/workplace<br>2) financial or<br>3) customer/ops? | Use the Human Resources<br>Compensation goal<br>description | Specific description of what the<br>measure is intended to track. Include<br>the mathematical formula if available.                                                                                                                                          | How does this measure improve/achieve<br>corporate objectives e.g. top quartile<br>performer, EPS, OCF, Entergy values,<br>reliability, customer service, legal<br>requirements, regulatory performance?                                                                                                     | What potential unintended consequences<br>may result from implementing this measure<br>e.g. for LWDIR, employees may be afraid<br>to report an accident                                                                                                       | Source document(s) or<br>system(s) from which each<br>data element in the measure<br>originates                                                              |
| Safety<br>Safety/Workplace                                                    | RAI-Employee TRN                                            | RAI=([Lost Time Accidents + # of<br>Restricted + # of Medical Attention<br>Accidents] * 200,000) / Total # of<br>Productive Hours Worked. For MIP, if<br>any fatality, no award.                                                                             | Improving safety is one of the company's top<br>objectives. Fewer accidents benefit<br>employees and reduce the costs for<br>Entergy.                                                                                                                                                                        | Have received some push back in using<br>RAI as an incentive from OSHA but<br>Transmission feels that it is the best tool<br>available to incent employees to focus on<br>Safety. It is Transmission intent to use a<br>proactive measure in the near future. | This data is compiled in the<br>SRS database developed by<br>SAIC. This application pull<br>data from Estler for<br>manhours and Stars for the<br>accidents. |
| Safety/Workplace                                                              | RAI-Contractor TRN                                          | RAI=([Lost Time Accidents + # of<br>Restricted Duty Accidents + # Medical<br>Attentions + # Fatalities] *<br>200,000) / Total # of Productive Hours<br>Worked for Contractors tracked on<br>Dashboard.                                                       | Safety should be a top priority for our<br>contractors as it is for Entergy employees.                                                                                                                                                                                                                       | Added complexity of tracking contractor<br>safety results in additional administrative<br>work and potential errors with incentive<br>payouts.                                                                                                                | Obtain information on the<br>Contractor Safety Webpage<br>from monthly data entered<br>by the contractors.                                                   |
| EAM (25%)                                                                     |                                                             |                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                                              |
| Function Financials<br>Financial                                              | SourceView NFOM-TRN                                         | SourceView Non-Fuel Operations and<br>Maintenance spending. The perspective<br>displays full financial view costs<br>generated by a department. This<br>includes costs that remain with the<br>department and costs sent externally to<br>other departments. | Meeting planned SourceView NFOM<br>spending levels will meet the 8 - 10% growth<br>in earnings which is a commitment to<br>external analysts; encourages reprioritization<br>of spending to compensate for over-runs<br>and rewards those that maintain safety and<br>service level at lowest possible cost. | May pressure organizations to defer<br>payments if not meeting spending or<br>accrue payments if running under spending<br>target; could also encourage poor decisions<br>that compromise safety or reliability.                                              | ERMA reports                                                                                                                                                 |
| Financial                                                                     | SourceView Baseline Capital-<br>TRN                         | SourceView Baseline Capital spending.<br>The perspective displays full financial<br>view costs generated by a department.<br>This includes costs that remain with the<br>department and costs sent externally to<br>other departments.                       | Meeting SourceView Baseline Capital<br>planned spending ensures alignment with<br>ETR Board approved capital spending levels.<br>Encourages reprioritization of spending to<br>compensate for over-runs and rewards<br>those whose projects are delivered under<br>planned spending.                         | May pressure organizations to defer<br>payments if not meeting spending or<br>accrue payments if running under spending<br>target.                                                                                                                            | ERMA reports                                                                                                                                                 |

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| Remaining Measures<br>Customer/ Operations                                    | Customer View SAIFI -<br>System                             | Total Customer Interruptions / Number<br>of Customers Served<br><br>Total Customer Interruptions - Each<br>customer whose service is interrupted<br>during an outage counts as a customer<br>interruption.<br><br>An "interruption" is any outage with<br>duration greater than five minutes<br>excluding major weather events,<br>interruptions associated with load and<br>voltage shed (brownouts), and outages<br>mandated by public authority                              | This measure supports Entergy's external<br>customer service objectives by focusing<br>employees on frequency of outages, which<br>is a key element in customer satisfaction.                            | SAIFI focuses employee attention on the<br>frequency of outages. Those employees<br>who do not also have SAIDI (duration<br>measure) as an incentive measure may<br>inadvertently focus less attention on the<br>duration of outages. However, since<br>frequency of outages has a greater impact<br>on customer satisfaction than duration of<br>outages, placing greater emphasis on<br>SAIFI is appropriate and any unintended<br>consequences are minimal. | Outage data source: DFM                                                                         |
| Customer/ Operations                                                          | Customer View SAIDI -<br>System                             | Total Customer Interruption Minutes /<br>Number of Customers Served<br><br>Customer Interruption Minutes -<br>Calculated by multiplying the outage<br>duration (in minutes) by the number of<br>customers affected by the interruption.<br><br>An "interruption" is any outage with<br>duration greater than five minutes<br>excluding major weather events,<br>interruptions associated with load and<br>voltage shed (brownouts), and outages<br>mandated by public authority | This measure supports Entergy's external<br>customer service objectives by focusing<br>employees on duration of outages, which is<br>a contributing factor in customer<br>satisfaction.                  | SAIDI is the secondary reliability incentive<br>measure (SAIFI is the primary measure)<br>and is used only for MIP employees.<br>SAIDI (duration of outages) helps balance<br>management employees' focus between<br>the frequency and duration of outages.<br>There are no significant unintended<br>consequences when SAIDI is used in<br>conjunction with SAIFI.                                                                                            | Outage data source: DFM                                                                         |
| Customer/ Operations                                                          | Customer Satisfaction                                       | New Incentive Measure for<br>Transmission. This composite is made<br>up of 2/3 Mass and 1/3 C&I.                                                                                                                                                                                                                                                                                                                                                                                | This measure supports Entergy's external<br>customer service objectives.                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                 |

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# 2006 Incentive Compensation Measures Template Transmission (Savoff)

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| Customer/ Operations                                                          | ECI                                                         | Continuous Improvement seeks ways to<br>improve and grow the company<br>profitably. It establishes a culture and a<br>systematic approach for achieving<br>continuous improvement that engages<br>all employees. Measures are point-<br>based for each improvement/success. | Aligns the company to achieve its business<br>plan goals of top quartile performer,<br>improving reliability, focus on customers, a<br>safe place to work, and the best place to<br>work.                | Focus may be on achieving point values.<br>Resources may be cut or deferred when<br>they are truly needed to get the job done to<br>ensure safety, reliability, and customer<br>satisfaction. May give the perception that<br>this takes away from "real work". | Point guidelines are<br>developed by the Entergy<br>Continuous Improvement<br>Deployment Team. Point<br>targets are developed by the<br>function team and approved<br>by the function head. The<br>team charters establish the<br>scope and goals for<br>accomplishments. |