

1 IV. ETI CAPITAL ADDITIONS

2 Q38. DO YOU SPONSOR ANY CAPITAL ADDITIONS TO ETI'S PLANT IN
3 SERVICE?

4 A. Yes. I sponsor capital additions closed to ETI Plant in Service between
5 July 1, 2011 and March 31, 2013. The capital additions are detailed in my
6 Exhibit RTJ-7.

7

8 Q39. WHAT IS THE TOTAL DOLLAR AMOUNT OF THE SUPPLY CHAIN
9 CAPITAL ADDITIONS THAT ETI IS REQUESTING IN THIS DOCKET?

10 A. The total dollar amount of Supply Chain capital additions for ETI is
11 \$124,273. This dollar amount covers six Supply Chain projects.

12

13 Q40. PLEASE DESCRIBE THE COLUMNS INCLUDED IN EXHIBIT RTJ-7,
14 WHICH PROVIDES DETAILS CONCERNING THE DOLLARS CLOSED
15 TO PLANT IN SERVICE FOR SUPPLY CHAIN AND THE ASSOCIATED
16 AFFILIATE COMPONENT.

17 A. Exhibit RTJ-7 provides the following information:

18 Column A Project Code.

19 Column B Project Code Description.

20 Column C Asset class.

21 Column D In service date.

22 Column E Asset location description.

23 Column F State location.

1 Column G Business Unit ("BU").

2 Column H Non-Affiliate Charges Excluding Capital Suspense and

3 Reimbursements.

4 Column I Reimbursements.

5 Column J Represents capital suspense overhead costs associated

6 with administrators, engineers and supervisors to the capital

7 projects for which they provide services. Each function

8 charges their capital suspense to a "Capital Suspense"

9 project, which is then allocated out to the appropriate capital

10 projects. Capital Suspense costs and the subsequent

11 allocation are separated by BU and function combination to

12 more accurately match such costs on the actual projects

13 worked on for each function within a BU.

14 Column K Represents the portion of capital suspense overhead costs

15 (in Column J) from an affiliate.

16 Column L Represents the portion of capital suspense overhead costs

17 (in Column J) that are charged to the project by ETI

18 employees.

19 Column M Represents charges incurred by the ESI service company

20 and allocated out to the appropriate BUs based on the ESI

21 billing method assigned to the project plus loaned resource

22 charges incurred at one BU and charged to another BU for

23 services rendered on behalf of that BU.

3 Column O Represents the total amount of capital additions closed to
4 plant in service.

6 Q41. PLEASE IDENTIFY THE PROJECTS INCLUDED IN EXHIBIT RTJ-7.

9	•	Beaumont Shop: Oil Filter Crusher Tool;
10	•	Texas Warehouse Capital Improvements
11	•	Texas Warehouse Capital Improvements 2011
12	•	Asset Suite Purchase Order Clean Up
13	•	Supply Chain Word Merge Upgrade
14	•	Asset Suite EIPP Auto Match

16 Q42. ARE THESE PROJECTS NECESSARY?

17 A. Yes. All of these projects were designed to benefit all of the Entergy
18 Companies' regulated customers, including those of ETI. These projects
19 supported process improvements and warehouse improvements that have
20 reduced or are reducing direct process costs and increase the Sourcing
21 and Procurement functions' ability to leverage savings from the acquisition
22 of goods and services. They also provide the tools necessary to properly
23 support the provisioning of electric service to ETI's customers.

1 Q43. WHAT TYPES OF COSTS ARE INCURRED FOR CAPITAL PROJECTS
2 THAT ARE CHARGED TO ETI, AND ARE THESE COSTS
3 REASONABLE?

4 A. Expenses incurred as part of a capital project include plant equipment,
5 component parts, materials, supplies, and any ESI, ETI, and contracted
6 labor required to complete the project. All costs are subject to the budget
7 and cost control processes I describe above, and the ESI labor costs are
8 billed to ETI pursuant to the same principles and practices that I discuss
9 above in Sections II and III of my testimony. The ESI labor costs are
10 generally similar to those incurred as an O&M expense except that the
11 labor is directly related to the capital project, and the cost is capitalized as
12 part of the total project cost.

13 For example, an ESI procurement specialist may provide
14 procurement or contract administration support as part of installation of an
15 enhanced IT network and also provide support to procure desktop
16 computer hardware. The ESI employee's labor costs charged to ETI may
17 be capitalized for the former project and expensed to O&M account for the
18 latter project.

19 The Entergy Companies utilize both competitive solicitations and
20 Alliance Agreements to achieve competitive costs for contract labor,
21 equipment, component parts, and other necessary materials and supplies
22 for capital projects. For these reasons and as discussed in Sections II and
23 III, these costs are reasonable.

1 Q44. WHAT ARE THE TOTAL AFFILIATE CHARGES INCLUDED IN THE
2 REQUESTED ADDITIONS TO RATE BASE THAT YOU SUPPORT?

3 A. The affiliate charges totaled approximately \$30,238 and are detailed by
4 project in Exhibit RTJ-7.

5

6 V. CONCLUSION

7 Q45. WHAT IS YOUR OVERALL CONCLUSION?

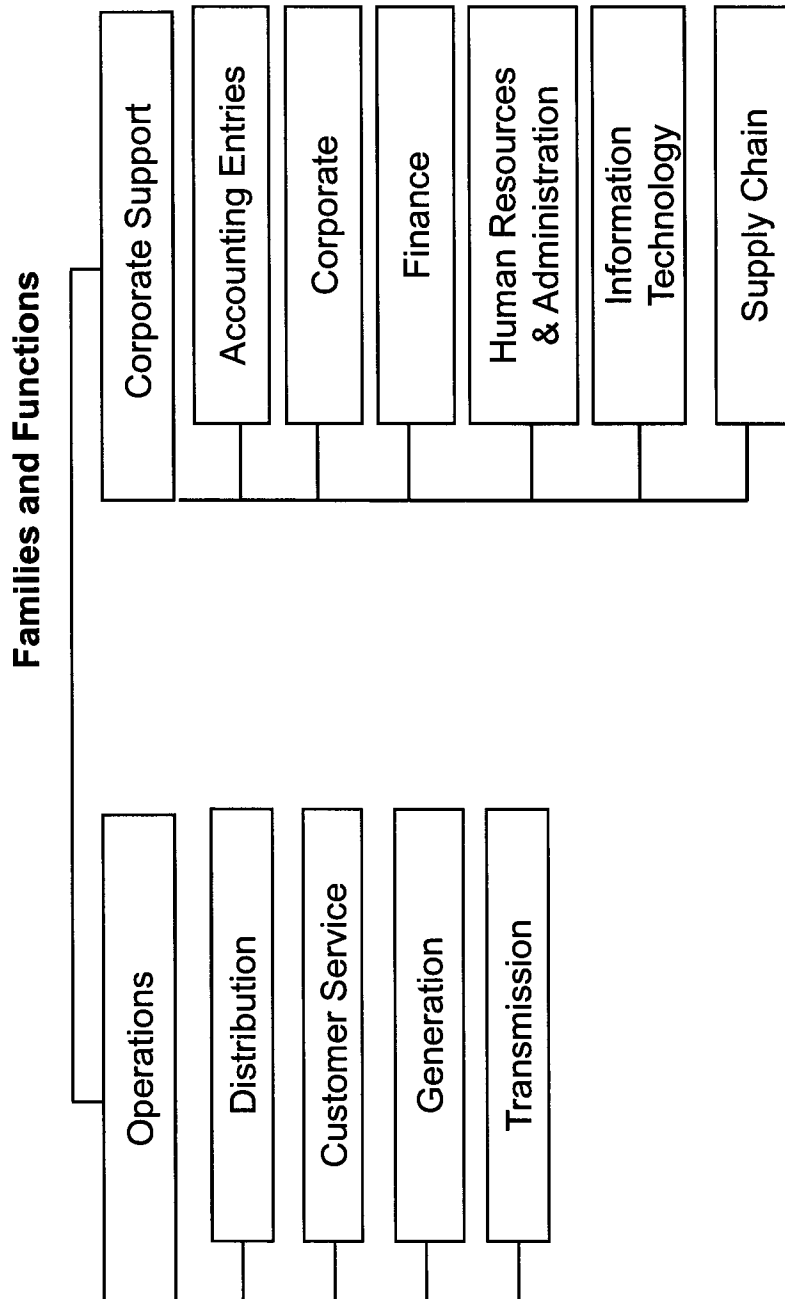
8 A. Based upon the evidence presented in this filing, I conclude that the
9 services provided by ESI's Supply Chain operations are necessary for ETI
10 to operate as a utility and that the costs are reasonable. These products
11 and services are delivered to ETI at a price no greater than that charged
12 to other Entergy Companies and represent the actual costs of the
13 services. In addition, these services are not duplicated within ETI or any
14 other ESI organization. Additionally, I conclude that the costs of capital
15 additions to ETI's plant in service that are related to the Supply Chain
16 organization were reasonable and necessary.

17

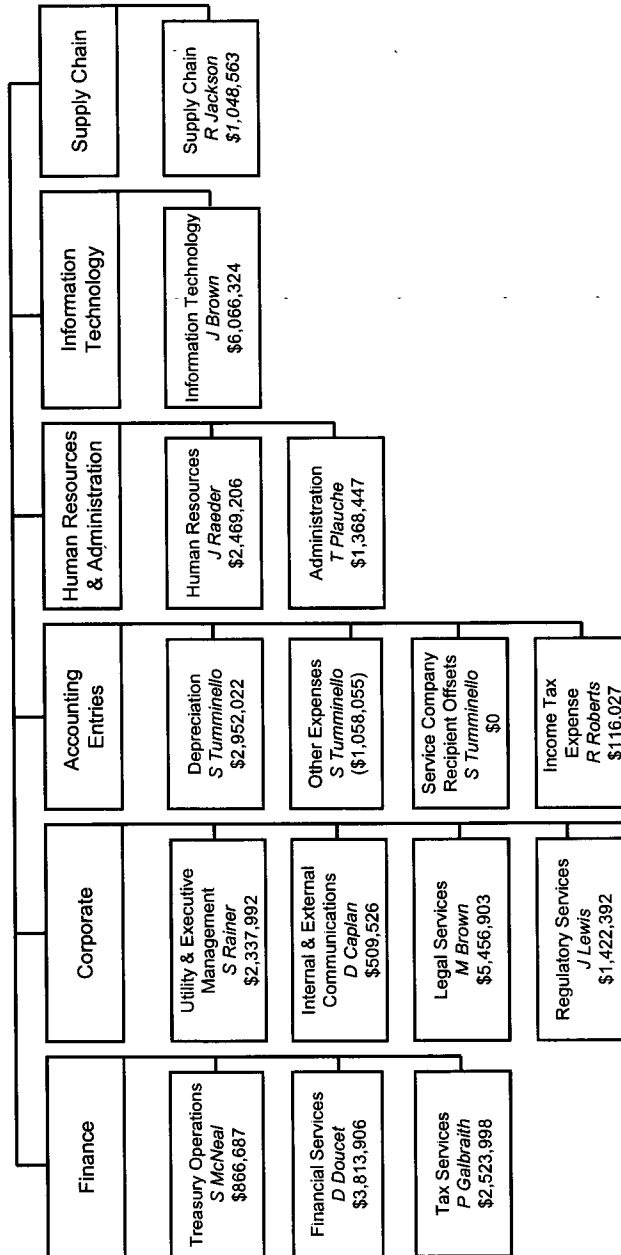
18 Q46. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

19 A. Yes

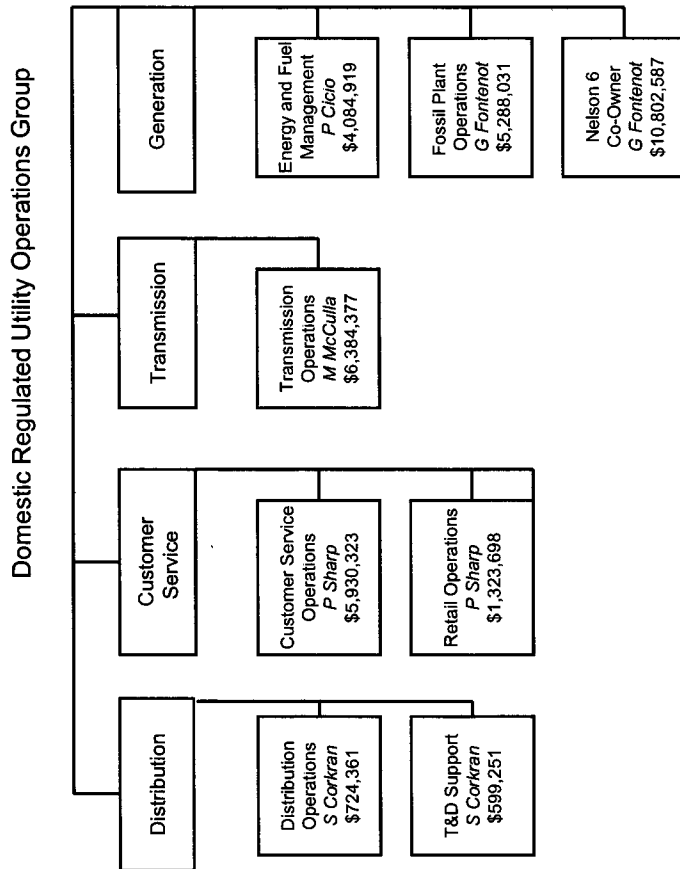
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Corporate Support Functions & Classes (\$ Total ETI Adjusted)



Operations Functions & Classes (\$ Total ETI Adjusted)



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Subject Matter Expert: Maurice Rieffel	Responsible Officer: Mark Savoff	Approved By: Corporate Compliance Committee	

I. POLICY SUMMARY

- This Policy sets forth the requirements for procuring materials, goods and services.
- Requests for procurement of materials, goods and services must be approved in accordance with the Entergy System Approval Authority Policy.
- Supply Chain personnel are responsible for the procurement of all materials, goods and services for Entergy, except as otherwise provided in this Policy (see Section 5.2).
- Except as provided in this Policy, Supply Chain personnel are responsible for all required bidding and determination of the appropriateness of purchases of materials, goods and services.
- The retention of Independent Contractors is subject to the Requirements for Procurement of Independent Contractors included at Attachment III.
- This Policy does not address staff augmentation through the retention of contingent workers; refer to the Entergy System Contingent Workforce Management Policy for requirements and guidance.
- Letters of intent may only be issued by Supply Chain after Legal review, pursuant to the Letters of Intent and Preliminary Understandings Policy.
- Requests for exclusion from this Policy should be directed to the Vice President, Chief Supply Officer.
- All employees, agents and contractors of Entergy shall immediately report known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.
- **Please refer to the following detailed Policy for further information.**

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II. DETAILED POLICY

1.0 PURPOSE AND APPLICABILITY

The purpose of this Policy is to establish efficient and effective purchasing and contracting standards and controls to be used for the procurement of materials, goods, and services by Entergy System Companies, including regulated and competitive business units and/or legal entities.

This Policy does not address staff augmentation through the retention of contingent workers; refer to the Entergy System Contingent Workforce Management Policy for requirements and guidance.

THIS POLICY APPLIES TO ANY AND ALL EMPLOYEES OF ANY ENTERGY SYSTEM COMPANY, UNLESS OTHERWISE EXPRESSLY EXCLUDED, AS WELL AS AGENTS AND CONTRACTORS OF ANY ENTERGY SYSTEM COMPANY.

THE EXTENT TO WHICH ANY SPECIFIC PROVISION IN THIS POLICY COVERS EMPLOYEES WHO ARE REPRESENTED BY A UNION MAY DEPEND ON NEGOTIATIONS WITH AND/OR A COLLECTIVE BARGAINING AGREEMENT WITH THAT UNION. WHERE THIS POLICY APPLIES TO ANY EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT AND THERE IS A CONFLICT BETWEEN THIS POLICY AND THE EXPLICIT TERMS OF SUCH AGREEMENT, THE COLLECTIVE BARGAINING AGREEMENT SHALL GOVERN.

NOTHING CONTAINED IN THIS POLICY SHOULD BE CONSTRUED TO SUGGEST THAT EMPLOYEES OF A PARTICULAR SUBSIDIARY OR AFFILIATE OF ENTERGY CORPORATION ARE ALSO EMPLOYEES OF ENTERGY CORPORATION OR ANY OTHER AFFILIATE OR SUBSIDIARY OF ENTERGY CORPORATION. MOREOVER, THIS POLICY DOES NOT CREATE ANY EMPLOYMENT RELATIONSHIP BETWEEN ANY PERSON AND ANY ENTERGY SYSTEM COMPANY, NOR DOES THIS POLICY CONFER ANY CONTRACTURAL RIGHT TO ANY PERSON TO BECOME OR REMAIN AN EMPLOYEE OF ANY ENTERGY SYSTEM COMPANY.

2.0 REFERENCES AND CROSS REFERENCES

2.1 Entergy System Policies:

- Accounting
- Affiliate Interactions
- Approval Authority
- Contingent Workforce Management Program
- Corporate Risk Standards
- Electronic Information Security

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- Letters of Intent and Preliminary Understandings
- Protection of Information
- Real Estate
- Records Management and Retention
- Reimbursement of Business Expenses
- Reporting Violations

2.2 **Entergy Business Unit Policies:**

- Capital Funding Project Approval (Accounting)
- Corporate Purchasing Card (Accounting)
- Entergy Systemwide Furniture and Space Standards (located at the Facilities Planning and Operations website)

2.3 **Governance for Understanding and Assessing Risk to Data ("GUARD")**

<https://projects.entergy.com/GUARDTeam/Customers/Wiki%20Document%20Library/GUARD%20Process%20Documentation/When%20to%20Use%20GUARD.docx>

3.0 **DEFINITIONS**

- 3.1 **Amendment** is an instrument used to document changes to the terms and conditions of an original Contract.
- 3.2 **Approver** is the appropriate-level personnel authorizing the request for materials, goods or services per the Approval Authority Policy.
- 3.3 **Blanket Order** is a legally enforceable agreement establishing general scope and pricing with a supplier for repetitive services, materials or goods.
- 3.4 **Blanket Order Release** is a legally enforceable document issued pursuant to a Blanket Order for a specified time/project for services or repetitive purchases of materials or goods.
- 3.5 **Capital Work Order** is a document used to (1) establish the basis for tracking capital-funding project costs, (2) transfer capital assets from one legal entity to another, or (3) dispose of capital assets. A Capital Work Order is sometimes referred to as a "Capital Expenditure Authorization."
- 3.6 **Change Order** is a written change to an existing Contract in any form that identifies the appropriate Contract.
- 3.7 **Contract** is a legally enforceable document that is Executed between an Entergy System Company and a provider of materials, goods or services that defines the respective parties' obligations and the terms and conditions that govern them.

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- 3.8 Contract Manager** is an employee responsible (relative to a Contract) for: coordinating day-to-day supplier activities; monitoring supplier performance; verifying receipt of billed services; reviewing contractor timesheets, equipment rentals, material receipts, and other applicable documentation supporting the invoiced charges; routing and/or approving invoices; providing accurate monthly accrual information to the appropriate parties; ensuring that Extra Work Authorizations are verified and approved prior to the commencement of work and that total expenditures are within the approved Contract ceiling; and initiating Contract close-out.
- 3.9 Customer** is an Entergy System Company employee.
- 3.10 Diverse Supplier** is a Qualified/Conditionally Qualified Supplier that has been certified as either a small/small disadvantaged, ethnic minority, women, historically under-utilized business zone (HUB zone), veteran- and disabled-veteran-owned businesses that are at least 51 percent owned, operated and managed by one of these groups.
- 3.11 Electronic Bidding System** is a software tool that automates the bidding processes associated with Entergy's procurement functions, and the storage and retrieval of bid related documents.
- 3.12 Electronic Document Management System** is a software tool used to store and retrieve Contracts, Purchase Orders and other related procurement documents.
- 3.13 Electronic Procurement System** is an integrated software application that automates Entergy's purchasing-related functions including contract management, inventory control, and purchasing, with effects on procurement engineering and some accounting functions.
- 3.14 Emergency** is any situation that has resulted or would result in an interruption of service, a significant loss of Entergy System assets, or an imminent health or safety hazard to an employee or the public.
- 3.15 Entergy, Entergy System, or Entergy System Company** is Entergy Corporation and all of its subsidiaries and affiliates in which Entergy Corporation has a direct or indirect majority ownership interest.
- 3.16 Execution** is a step or action, or series of such, that serve to complete a properly approved Contract or other legally enforceable document, which includes formal signature approval by all parties involved.
- 3.17 Extra Work Authorization (EWA)** is a document that describes the change to the Contract's scope of work and the approval to start such work before a formal Change Order is issued to the supplier by Supply Chain.
- 3.18 Field Service Contract** is a legally enforceable document that is Executed between an Entergy System Company and a Qualified/Conditionally Qualified

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Supplier for services, excluding storm services, in which the total amount is less than Twenty Thousand Dollars (\$20,000).

- 3.19 General Services Administration Agreement** is an agreement between an Entergy System Company and the Federal Government that establishes purchasing and contracting requirements for awards to Diverse Suppliers. General Services Administration Agreement is sometimes referred to as "Areawide Agreement."
- 3.20 Independent Contractor** is a worker (or worker-related entity) whose services are engaged by Contract to perform for the Entergy System specialized tasks requiring a high level of skill, discretion, and independent judgment, whose work is not "directed or controlled," directly or indirectly, by the Entergy System, and who is not a common-law employee of any Entergy System Company. Refer to Attachment III of this Policy, "Requirements for the Procurement of Independent Contractors."
- 3.21 Initiating Procurement Document** is a written or electronic document (purchase/material request form, Contract requisition form or any written document) as required by the Requester's business unit that is forwarded to Supply Chain by the Requester to authorize the purchase of materials, goods or services, pursuant to the Approval Authority Policy.
- 3.22 Nuclear Qualified Supplier** is an approved supplier for Entergy's Nuclear organization, and includes safety-related suppliers, commercial grade item/service suppliers and special-scope suppliers. A Nuclear Qualified Supplier is also a Qualified/Conditionally Qualified Supplier.
- 3.23 Policy** is this Procurement Policy.
- 3.24 Prime Supplier** is a supplier providing goods, material, equipment and/or services to Entergy and is paid directly by Entergy.
- 3.25 Purchase Order** is the document issued to a supplier authorizing the purchase of materials and goods.
- 3.26 Qualified/Conditionally Qualified Supplier** is a supplier providing Entergy with materials, goods or services that have met Entergy's minimum-established requirements and accepted by Supply Chain. A Nuclear Qualified Supplier is also a Qualified/Conditionally Qualified Supplier.
- 3.27 Requester** is as the person responsible for determining the materials, goods or services desired, and conveying accurate information to the Approver and to Supply Chain.
- 3.28 Request for Proposal (RFP)** is the bid solicitation document(s) issued to bidders by Supply Chain. The RFP contains pertinent information such as technical and commercial requirements, scope, quantities, terms and conditions, deadlines, and instructions to bidders.

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- 3.29 Storm Logistics Service Contract** is a legally enforceable document that is Executed between an Entergy System Company and a Qualified/Conditionally Qualified Supplier for storm services in which the total amount is less than One Hundred Thousand Dollars (\$100,000).
- 3.30 Supplier Management Database** is an electronic database that contains supplier information (e.g., supplier name, address, tax identification number, North American Industry Classification System codes, etc.).
- 3.31 Supplier Registration System** is a non-Entergy managed service used to identify and approve service suppliers, including Diverse Suppliers, for use based on Entergy's minimally established requirements.
- 3.32 Supplier Risk Assessment** is the process that determines whether a potential business transaction with a supplier may present significant risk or exposure to Entergy.
- 3.33 Supply Chain** is the non-nuclear Supply Chain organization and Nuclear Materials, Purchasing & Contracts groups, unless otherwise specifically noted.
- 3.34 Tax (also Taxes)** is any or all sales, use, transaction, gross receipts or similar taxes levied on the purchase of tangible personal property and certain services, including, if applicable, foreign import fees, customs, or duties, or any other federal, state or local governmental charges.
- 3.35 Tax Exemption Documentation** means the documentation Entergy is required to provide to suppliers in order to capture applicable exemptions or exclusions from Taxes.

4.0 **RESPONSIBILITY**

- 4.1 The Vice President, Chief Supply Officer** is responsible for approving any exclusion from this Policy (see Attachment II).
- 4.2 The Vice President, Chief Supply Officer or his/her designee(s)** is responsible for the interpretation and administration of this Policy.
- 4.3 Supply Chain personnel** are responsible for:
- 4.3.1** bidding and negotiation of prices, payment terms, and other terms and conditions, including any terms related to Taxes;
 - 4.3.2** if applicable, providing the supplier with appropriate Tax Exemption Documentation to assure that Entergy minimizes or eliminates Taxes;
 - 4.3.3** ensuring that the Initiating Procurement Document is approved in accordance with the Entergy System Approval Authority Policy prior to issuing Purchase Orders and Contracts;
 - 4.3.4** maintaining evidence of the authority upon which each transaction is executed;

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- 4.3.5 ensuring that Purchase Orders (for inventory and non-inventory items) and Contracts are not greater than the amounts authorized by the approved Initiating Procurement Documents;
 - 4.3.6 ensuring that the contract details, including but not limited to, the applicable Entergy Company, compensation, payment terms, and work start and end dates, match the information contained in the Electronic Procurement System;
 - 4.3.7 maintaining and communicating to employees the list of Qualified/Conditionally Qualified Suppliers;
 - 4.3.8 tracking compliance on the use of available Qualified/Conditionally Qualified Suppliers;
 - 4.3.9 referring Entergy personnel to the Contingent Workforce Management Policy for purposes of staff augmentation needs;
 - 4.3.10 ensuring that the Requester develops a clear scope of work or description of materials or goods;
 - 4.3.11 ensuring that the Requester provides required information such as accounting code block, invoicing requirements, milestone requirements (i.e., vendor supplied drawings, inspection reports), invoice support documentation, work start and end dates (if applicable), and equipment specifications.;
 - 4.3.12 securing and coordinating input from other company departments, such as Risk Management Services, Legal Services, Tax, and Environmental as needed;
 - 4.3.13 if applicable, ensuring that all required Supplier Risk Assessment documents are completed prior to Contract award, including but not limited to an executive summary, the Supplier Risk Assessment checklist, and an analysis of potential strengths, weaknesses, opportunities and threats within a business transaction; and
 - 4.3.14 ensuring that Contracts Executed by Supply Chain, as well as other related documents issued thereto, are properly filed in the Electronic Document System and/or Electronic Bidding System, and maintained in accordance with the Entergy System Records Management and Retention Policy.
- 4.4 **The Requester** is responsible for:
- 4.4.1 determining the desired materials, goods or services, and conveying to Supply Chain such information and other accurate information as needed and required, including but not limited to detailed work scope, planned work start and end dates, accounting code block, invoicing support documentation requirements and other pertinent data;

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- 4.4.2 providing invoice support documentation requirements and milestone requirements (i.e., vendor supplied drawings, inspection reports, equipment specifications, drawings and rental requirements, contractor supplied consumables and small tools, etc.);
 - 4.4.3 ensuring availability of funding, preparing Capital Work Orders (where applicable), providing accurate and complete code block information, providing accrual information to the appropriate parties, and obtaining required approval signatures;
 - 4.4.4 creating and obtaining proper approval of Initiating Procurement Documents;
 - 4.4.5 providing Supply Chain with all other pertinent information requested for the preparation of Contracts; and
 - 4.4.6 ensuring that the Governance for Understanding and Assessing Risk to Data ("GUARD") process referenced in Section 2.3 is initiated, when required. Refer to Section 5.3.1 for additional details.
- 4.5 **The Contract Manager** is responsible for:
- 4.5.1 ensuring that a properly approved Capital Work Order exists (where applicable);
 - 4.5.2 monitoring, reviewing, and verifying supplier invoices up to the authorized Contract ceiling amount;
 - 4.5.3 ensuring that the original invoice is supported by appropriate documentation, which may include, but is not limited to, approved contractor labor timesheets, equipment rental forms, material receipts forms, packing slips and 3rd party invoicing documentation to support accurate invoice payment;
 - 4.5.4 ensuring that the supplier's invoices contain the necessary information for payment processing, including Contract number, payment terms and complete code block information;
 - 4.5.5 ensuring that the payment of supplier invoices is approved pursuant to the Entergy System Approval Authority Policy;
 - 4.5.6 ensuring that the supplier's invoices are processed for the proper amount, including sales Tax, if applicable, and in accordance with the negotiated Contract terms;
 - 4.5.7 ensuring that the supplier invoices are applied to the correct Contract;
 - 4.5.8 monitoring credit memos and ensuring that proper credits or payments for such memos are received from the suppliers and submitted timely to Accounts Payable;

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4.5.9 ensuring that the supplier has performed the services as required by the Contract and complied with all the provisions therein, and formally notifying Supply Chain of Contract completion via written / electronic documentation;

4.5.10 ensuring that Contract changes are initiated and approved in accordance with Section 5.7, "Change Orders and Amendments"; and

4.5.11 ensuring that the Governance for Understanding and Assessing Risk to Data ("GUARD") process referenced in Section 2.3 is initiated, when applicable. Refer to Section 5.3.1 for additional details.

4.6 **All employees, agents, contractors, and subcontractors** are responsible for:

4.6.1 avoiding the direct or indirect falsification of any record or document that would result in an improper or unauthorized purchase or payment;

4.6.2 the protection of Personal Information and Sensitive Information (as such terms are defined in the Protection of Information Policy) that they share with vendors. To the extent applicable, employees and agents must abide by the GUARD assessment process referenced in Section 2.3 prior to contracting with such vendors; and

4.6.3 immediately reporting known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.

5.0 **DETAILS**

5.1 **Use of Supply Chain and Supply Chain Requirements.** Except for transactions identified in Section 5.2, (a) Supply Chain is responsible for the procurement of all materials, goods and services for Entergy, (b) only Supply Chain is authorized to commit to suppliers, and (c) procurement actions must be taken through Supply Chain in accordance with the following requirements.

5.1.1 Materials, goods and services should be purchased using the Electronic Procurement System, whenever reasonably possible.

5.1.2 The Requester must complete and submit an Initiating Procurement Document to Supply Chain, utilizing forms approved by Supply Chain. The Initiating Procurement Document must be approved in accordance with the Entergy System Approval Authority Policy.

5.1.3 After Supply Chain receives the appropriately authorized Initiating Procurement Document, it has the authority to implement the requested transaction with a supplier (subject to the other provisions of Section 5.1) through Execution of a Purchase Order, Contract or Blanket Order pursuant to the authorization levels as listed on Attachment I, "Purchase Order and Contract Execution Levels."

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- 5.1.3.1 Generally, Purchase Orders will be used for the purchase of materials and goods, and Contracts will be used for the acquisition of services.
 - 5.1.3.2 A Purchase Order or Contract is required for all safety-related purchases for Nuclear.
 - 5.1.3.3 All inventoried material maintained in the Electronic Procurement System, and coded for reorder, must be purchased by a Purchase Order or Blanket Order and related Blanket Order Releases properly approved and authorized by the appropriate level of management per the Entergy System Approval Authority Policy.
 - 5.1.3.4 Vendor-managed inventory items may have a unique catalog identifier in the Electronic Procurement System and may be purchased under an associated agreement, without a Contract, Purchase Order or Blanket Order/Blanket Order Release.
 - 5.1.4 Qualified/Conditionally Qualified Suppliers (see Section 5.4) shall be used unless otherwise authorized by Supply Chain.
 - 5.1.5 Payments shall be made pursuant to the procedures described in Section 6.2.
 - 5.1.6 Competitive bidding shall be used if required by and pursuant to the terms of Section 5.5 and 6.1.
 - 5.1.7 No authorization shall be given for a supplier to begin work without a Contract, Purchase Order, or other authorization (per approved Supply Chain requirements/procedures) from the appropriate Supply Chain personnel.
 - 5.1.8 Any required Contracts shall be developed and Executed in accordance with Section 5.6. Change Orders and Amendments shall be developed and Executed in accordance with Section 5.7.
 - 5.1.9 Closing of Contracts shall be made pursuant to Section 5.8.
 - 5.1.10 Any required Purchase Orders shall be developed and Executed in accordance with Section 5.9.
- 5.2 **Exceptions to Use of Supply Chain**. The provisions of Section 5.1 are not required for transactions identified below. Nonetheless, the provisions of Section 5.1 should be followed when procuring materials, goods and services when reasonably possible, including use of Qualified/Conditionally Qualified Suppliers (see Section 5.4) whenever available. Transactions described hereunder must be approved and executed in accordance with the Entergy System Approval Authority Policy.

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- 5.2.1 Non-inventoried materials or goods, or non-contracted services that are of low-dollar value acquired pursuant to Section 5.10.
- 5.2.2 Items properly purchased under Emergency situations as defined in 3.14 and pursuant to Section 5.11.
- 5.2.3 Transactions for items identified in Attachment II, "Exclusions from the Entergy System Procurement Policy."
- 5.2.4 Items purchased under Field Service or Storm Logistics Service Contracts pursuant to Section 5.12.
- 5.3 **General Provisions**. Regardless of whether a procurement transaction is made pursuant to Section 5.1 or Section 5.2, the following additional provisions must be followed:
 - 5.3.1 **Purchases of Information Technology (IT) Software, Hardware and Services**
 - 5.3.1.1 Purchases of all IT hardware, software and services must be managed by the IT director for the requesting business unit (Business Unit CIO). Other requirements and procedures of this Policy shall apply. The IT department will retain copies of the Purchase Orders (PO) and receipts. For software purchases, copies of both Purchase Orders (PO) and receipts will also be sent to the software compliance Outlook mailbox.
 - 5.3.1.2 Refer to the Entergy System Electronic Information Security Policy and Protection of Information Policy, and the Governance for Understanding and Assessing Risk to Data ("GUARD") process referenced in Section 2.3 for requirements and other details when acquiring software, hardware and IT services.
 - 5.3.2 **Procurement of Furniture** – Furniture purchases must be made in accordance with Entergy System standards and guidelines located at <https://myentergy.entergy.com/myhra/Pages/Facilities-Operations.aspx> and coordinated through the appropriate facilities organization.
 - 5.3.3 **Independent Contractors** - All requisitions for Independent Contractors must be in conformity with the Requirements for Procurement of Independent Contractors, Attachment III of this Policy and approved in accordance with the Entergy System Approval Authority Policy.
 - 5.3.4 **Affiliate Transactions** - Transactions between subsidiaries and affiliates shall be completed in accordance with the Entergy System policy, "Affiliate Interactions," and applicable laws and regulations addressing such transactions.
 - 5.3.5 **Applicability of Taxes** - Supply Chain shall consult, as needed, with the Tax department on applicability of Taxes for sourcing transactions. Where

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applicable, Supply Chain shall provide to suppliers Tax Exemption Documentation. If the Contract Manager or Supply Chain determines the transaction is exempt from Taxes, the Contract Manager and Supply Chain must ensure the exemption from Taxes is reflected in the Contract price of the materials, goods and services.

5.4 Qualified/Conditionally Qualified Suppliers

- 5.4.1** Qualified/Conditionally Qualified Suppliers, including Nuclear Qualified Suppliers, are maintained in the Supplier Management Database.
- 5.4.2** Pre-qualification of new suppliers requiring a review of licenses, safety records, insurance requirements, etc. should be completed in the Supplier Registration System. Refer to Entergy's Supplier Qualification Management Portal for Supply Chain's pre-qualification guidelines and procedures.

5.5 Competitive Bidding Requirements (also see Section 6.1 for competitive bidding procedures)

- 5.5.1** Competitive bidding must be requested for all purchases of materials and/or goods greater than Ten Thousand Dollars (\$10,000) and for all purchases of services greater than Fifty Thousand Dollars (\$50,000), based on the total order value, unless approval for not obtaining competitive bids is received as indicated in Section 5.5.5.
- 5.5.2** Competitive bidding for the purchase of materials, goods and services greater than One Hundred Thousand (\$100,000) must include Diverse Suppliers, if available. In any event, documentation must be maintained by Supply Chain to show that Diverse Suppliers were given the opportunity to bid and if not, why not. If the award is not made to a Diverse Supplier, documentation must include the basis for such decision.
- 5.5.3** Competitive bidding performed for the construction, extension and/or repair of Entergy Mississippi, Inc. facilities in excess of Two Hundred Thousand (\$200,000) shall also include all contractors and suppliers who are qualified and responded to Entergy's bid solicitation advertisement in Mississippi.
- 5.5.4** Sealed (formal) bids should be requested for purchases of materials, goods and/or services greater than Two Hundred Fifty Thousand Dollars (\$250,000), and lesser amounts when appropriate.
- 5.5.5 Exceptions to Competitive Bidding.**
 - 5.5.5.1** Sole Source - Only one source exists due to, but not limited to, the following reasons: contractual obligations (such as copyrights, warranty, etc.); special requirements; availability of

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parts or labor; equipment or part standardization; and other situations approved by Supply Chain management.

5.5.5.1.1 Justification for the sole source must be approved by the requesting group in accordance with the Approval Authority Policy and forwarded to Supply Chain. Such approval shall be satisfied if the sole source justification accompanies the applicable Initiating Procurement Document when routed for approvals in the Electronic Procurement System.

5.5.5.1.2 Sole source justification initiated by Supply Chain must be approved by the Vice President, Chief Supply Officer or his/her designee, or the management of the Nuclear Materials, Purchasing & Contracts Department. Basis for the sole source transaction initiated by Supply Chain must be documented on a non-bid justification form and included in the Electronic Document Management System.

5.5.5.1.3 Sole source transactions involving original equipment manufacturer (OEM), proprietary manufacturer/process or inventoried materials or goods for which equipment or parts standards have been established do not require an approved non-bid justification form.

5.5.5.2 Single Source - More than one source exists but one supplier is preferred over another.

5.5.5.2.1 The Vice President and Chief Supply Officer or his/her designee(s), or the management of the Nuclear Materials, Purchasing & Contracts Department, must approve negotiation with a single source supplier in lieu of competitive bidding.

5.5.5.2.2 Basis for the single source transaction must be documented on a non-bid justification form and included in the Electronic Document Management System.

5.5.5.3 Blanket Orders - Repeatedly requested materials, goods or services may be purchased without the benefit of written bids through a Blanket Order Release when Blanket Orders provide established price lists, and/or discount sheets.

5.6 Contracts

5.6.1 Execution.

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- 5.6.1.1 Contracts issued by Supply Chain must be Executed in accordance with Attachment I, "Purchase Order and Contract Execution Levels."
- 5.6.1.2 Blanket Order Release issued by an Entergy employee must be Executed in accordance with the Entergy System Approval Authority Policy based on the total value of the Blanket Order Release. Such Blanket Order Releases must be maintained in accordance with the Entergy System Records Management & Retention Policy.

5.6.2 Requirements.

- 5.6.2.1 Contracts must include, at a minimum, the legal entity name for which the Contract is issued, detailed scope of work, compensation provisions including payment terms, Contract term, and signatures from Qualified/Conditionally Qualified Suppliers and Entergy System representatives.
- 5.6.2.2 Contracts may include insurance, applicability of Taxes, indemnification requirements, transfer of title provisions and other provisions deemed necessary for the protection of the Entergy System's interest, including Tax Exemption Documentation.
- 5.6.2.3 In adherence with the General Services Administration Agreement that Entergy maintains with the Federal Government, all Contracts issued for services greater than or equal to \$550,000, except for Contracts issued to Diverse Suppliers or original equipment manufacturers (OEM), shall require subcontracting plan provisions for the utilization of Diverse Suppliers from the Prime Supplier, whether Supply Chain engages in 1) solicited competitive bids, 2) negotiations with selected supplier, or 3) sole sourcing to a non-OEM supplier or single sourcing with a specific supplier. Exceptions from the supplier to the subcontracting plan provision must be submitted in writing to Supply Chain and agreed to by the Director, Supplier Diversity or his/her designee(s), and the appropriate Supply Chain sourcing manager.
- 5.6.2.4 Deviations from the Entergy System's standard insurance requirements and/or terms and conditions must be documented.
 - 5.6.2.4.1 Risk Management Services shall be consulted on deviations from the approved Entergy System insurance requirements.

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5.6.2.4.2 Legal Services shall be consulted on deviations from standard Contract terms and conditions or other required provisions that would affect the overall risk to Entergy.

5.6.3 Contract Changes. Section 5.7, Change Orders and Amendments, addresses the acceptable methods for revising/amending existing Contracts.

5.6.4 Contract with Independent Contractor. A Contract with an Independent Contractor must be undertaken in accordance with applicable provisions of the Requirements for Procurement of Independent Contractors (see Attachment III). Also, at a minimum, the Contract must include the name and address of the Independent Contractor, a description of the scope of work, a fixed schedule, a defined term, indemnity, and other insurance or accountability provisions, and other terms and conditions consistent with the person's or entity's status as an Independent Contractor.

5.6.5 Letters of Intent. Supply Chain may issue letters of intent only when their use is necessary and only after Legal review. Letters of intent shall be issued in accordance with the Entergy System Letters of Intent and Preliminary Understandings Policy. The approval levels required for Letters of Intent shall be the same as those required for Purchase Orders and Contracts. See Attachment I of this Policy, "Purchase Order and Contract Execution Levels."

5.7 Change Orders and Amendments

5.7.1 Change Orders. A Change Order is required any time there is a change in the scope of work, quantity, price or compensation provisions, except under the circumstance described in Section 5.7.1.3.

5.7.1.1 A Change Order must be Executed in accordance with this Policy's Attachment I, "Purchase Order and Contract Execution Levels" based on the cumulative value of the Contract. In the event a Change Order is required to revise a Blanket Order Release that was previously issued by an Entergy representative, such Change Order must be Executed by an Entergy representative in accordance with the Entergy System Approval Authority Policy based on the cumulative value of the Blanket Order Release.

5.7.1.2 An Initiating Procurement Document ("Contract Change Request") must be prepared in the Electronic Procurement System and approved in accordance with the Entergy System Approval Authority Policy based on the cumulative value of the Contract. The Initiating Procurement Document must be

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prepared before the supplier begins the extra work, except under circumstances described in Section 5.7.1.2.1.

5.7.1.2.1 Under certain conditions, such as to avoid additional mobilization/de-mobilization charges or delays in the project schedule, it may not be feasible to complete an Initiating Procurement Document (described in Section 5.7.1.2) in the Electronic Procurement System before the supplier begins work. In that event, an Extra Work Authorization or other approved form that describes the change in the scope of work, quantity, price or compensation provisions must be completed, and Executed by the Entergy representative and supplier.

5.7.1.2.2 The Extra Work Authorization or other approved form must be approved in accordance with the Entergy System Approval Authority Policy based on the cumulative value of the contract and signed by the supplier before the supplier begins work.

5.7.1.2.3 If completion of an Extra Work Authorization or other approved form as described at 5.7.1.2.1 is not feasible, then documented approval must be obtained from an Entergy representative in accordance with the Entergy System Approval Authority Policy before the supplier begins work.

5.7.1.2.4 Within 72 hours after the approval from an Entergy representative authorizing the vendor to start the extra work, an Initiating Procurement Document must be initiated in the Electronic Procurement System per Section 5.7.1.2

5.7.1.3 If the supplier's final invoice is within the scope of the contract and does not cause the Contract ceiling to be exceeded by the lesser of 10% or Twenty-Five Hundred Dollars (\$2,500), a Change Order is not required.

5.7.2 Amendments. An Amendment is required any time there is a change to the terms and conditions of a Contract.

5.7.2.1 All Amendments must originate from Supply Chain.

5.7.2.2 An Amendment shall be issued for significant changes to the Contract's terms and conditions (e.g., changes to insurance, indemnity, warranty, etc.) and must be reviewed by Legal Services prior to Execution.

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- 5.7.2.3 Other changes to the Contract (e.g., new or revised vendor contact, revised Contract Manager, etc.) will not require review by Legal Services but should be communicated to the supplier in accordance with the Contract's "Notices" provision.
- 5.7.2.4 Administrative changes to the Contract information in the Electronic Procurement System (e.g., revised accounting code block, new vendor address, etc.) will not require review by Legal Services or supplier notification.
- 5.7.2.5 All Contract Amendments must be entered in the Electronic Procurement System and any documentation filed in the Electronic Document Management System.

5.8 Contract Close-Out

- 5.8.1 Supply Chain will close out a Contract upon receipt of notification by the Contract Manager. If the Contract Manager does not provide notice within ninety (90) days following the termination or expiration of a Contract, the Contract may be closed out administratively.
- 5.8.2 Supply Chain will confer with Legal Services when a potential claim is known, a billing dispute exists, or the potential for a lien is present before the final payment is made to the vendor.

5.9 Purchase Orders

5.9.1 Execution.

- 5.9.1.1 All Purchase Orders must be Executed by Supply Chain in accordance with this Policy's Attachment I, "Purchase Order and Contract Execution Levels." Electronic Execution will satisfy the requirement for Execution of the Purchase Order in accordance with Attachment I.
- 5.9.1.2 For Purchase Orders of inventory or non-inventory items, Supply Chain personnel are authorized to issue the Purchase Order without any additional approval from the requesting group, provided the Purchase Order's value is within \$2,500 of the total value of corresponding line items from approved requisitions.
- 5.9.1.3 In the event the Purchase Order's total value exceeds the total value of the corresponding line items from approved requisitions by more than \$2,500, or if the Purchase Order's total value exceeds the level of authority of the Approver of the requisition, Supply Chain must first obtain electronic approval of the Purchase Order from the appropriate level of management in accordance with the Entergy System Approval Authority Policy

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before providing final electronic Execution of the Purchase Order in accordance with this Policy's Attachment I, "Contract and Purchase Order Execution Levels."

5.9.2 Requirements.

5.9.2.1 Purchase Orders must include, at a minimum, the legal entity name for which the Purchase Order is issued, description of material(s), compensation provisions including payment terms, point of contact, shipping method, and the Purchase Order terms and conditions.

5.9.2.2 In adherence with the General Services Administration Agreement that Entergy maintains with the Federal Government, all Purchase Orders issued for the purchase of goods and/or materials greater than or equal to \$550,000, except for Purchase Orders issued to Diverse Suppliers or original equipment manufacturers (OEM), shall require subcontracting plan provisions for the utilization of Diverse Suppliers from the Prime Supplier, whether Supply Chain engages in 1) solicited competitive bids, 2) negotiations with selected supplier, or 3) sole sourcing to non-OEM supplier or single sourcing with a specific supplier. Exceptions from the supplier to the subcontracting plan provision must be submitted in writing to Supply Chain and agreed to by the Director, Supplier Diversity or his/her designee(s), and the appropriate Supply Chain sourcing manager.

5.9.2.3 Deviations from the Entergy System's standard Purchase Order insurance requirements and/or terms and conditions must be documented.

5.9.2.3.1 Risk Management Services shall be consulted on deviations from the approved Entergy System insurance requirements.

5.9.2.3.2 Legal Services shall be consulted on deviations from standard Purchase Order terms and conditions or other required provisions that would affect the overall risk to Entergy.

5.10 Non-Inventoried Materials/Non-Contracted Services

5.10.1 General. Non-inventoried materials, goods and non-contracted services, and nuclear non-safety-related materials, goods or services, may be purchased without the benefit of a Purchase Order or Contract and without following the provisions of Section 5.1, provided that the costs are less

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than five thousand dollars (\$5,000). Such small-dollar purchases shall be made via:

- 5.10.1.1 a purchasing agreement utilizing the Corporate Purchasing Card (see Section 5.10.2);
- 5.10.1.2 Accounts Payable's non-Purchase Order methods (see Section 5.10.3); or
- 5.10.1.3 an employee's expense report (see Section 5.10.4, which includes additional cost restrictions).

An employee should seek approval, whether oral or written, from his/her supervisor before placing an order with a supplier.

5.10.2 Corporate Purchasing Card. Generally, non-inventoried materials goods, or nuclear non-safety-related materials, goods or nuclear non-safety-related services costing less than \$5,000 may be purchased using the Corporate Purchasing Card pursuant to the Corporate Purchasing Card Policy (see such policy for additional requirements and definitions).

5.10.3 Accounts Payable. Employees should make small-dollar purchases directly with suppliers using the Corporate Purchasing Card (5.10.2) depending on the nature of the purchase. If use of this method is not reasonably feasible, then an invoice may be sent directly to the employee for processing via Accounts Payable's non-Purchase Order capability in accordance with guidelines and procedures that are located on the Finance Operations Center Homepage under Accounts Payable.

5.10.4 Employee Expense Reports. Purchases of non-inventoried materials or goods, nuclear non-safety-related materials or goods, or nuclear non-safety-related services costing under Five Hundred Dollars (\$500) may be processed for payment using the employee's expense report if:

- 5.10.4.1 the employee is not authorized to use the Corporate Purchasing Card;
- 5.10.4.2 the materials or goods are not available via the Electronic Procurement System; or
- 5.10.4.3 the supplier has not been set up with a supplier number.

This process is primarily intended for small-dollar purchases, or one-time purchases made for immediate use. (Refer to the Entergy System Reimbursement of Business Expenses Policy for additional requirements and restrictions.)

5.11 Emergency Situations – In the event of an Emergency as defined in Section 3.14 only, materials, goods or services may be purchased without following the requirements of Section 5.1. In such event, a properly approved Initiating Procurement Document and written justification of the Emergency event for the

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purchases made must be forwarded to Supply Chain within 72 hours of the Emergency.

5.12 **Customer Initiated Service Contracts**

5.12.1 Field Service Contracts - The Field Service Contract may be issued by a Customer for low risk (as defined by the Safety, Health and Environmental Management System "SHEMS"), services costing less than \$20,000. The Field Service Contract must be approved by an Entergy representative in accordance with the Entergy System Approval Authority Policy and signed by the supplier before the supplier begins work. A copy of the Executed Field Service Contract shall be forwarded to the appropriate Supply Chain group. Use of Field Service Contracts is not applicable to Fossil or Nuclear generation organizations. Unless otherwise approved by Legal Services, the Field Service Contract should not be used for non-service procurement. Employees shall make every effort to use Qualified/Conditionally Qualified Suppliers.

5.12.2 Storm Logistics Service Contracts - The Storm Logistics Service Contract may be issued for low-risk, logistics related storm services, as determined by the System or State Logistics Lead, costing less than \$100,000, provided that an existing storm Contract issued by non-nuclear Supply Chain group is not in place, or the non-nuclear Supply Chain group may not otherwise be in a position to negotiate a Contract with the supplier. The Storm Logistics Service Contract must be approved by an Entergy representative in accordance with the Entergy System Approval Authority Policy and signed by the supplier before the supplier begins work. A copy of the Executed Storm Logistics Service Contract shall be forwarded to the appropriate Supply Chain group within 72 hours of Execution. Unless otherwise approved by Legal Services, the Storm Logistics Service Contract shall not be used for non-service storm procurement. Employees shall make every effort to use Qualified/Conditionally Qualified Suppliers.

5.13 **Diverse Suppliers**

5.13.1 Supply Chain will ensure that Diverse Suppliers capable of meeting Entergy's sourcing needs are given equal access to participate in Entergy System business opportunities, including bidding opportunities. Diverse Suppliers can be identified in the Supplier Registration System.

5.13.2 Supplier Diversity shall ensure that a Diverse Supplier who provides materials, goods and/or services to Entergy is certified as a Diverse Supplier. Certification records shall be maintained in the Supplier Registration System.

5.13.3 Refer to Sections 5.5.2 (Bidding), 5.6.2.3 (Contracts), and 5.9.2.2 (Purchase Orders) for additional Diverse Supplier requirements.

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6.0 **PROCEDURES**

6.1 **Procedures for Competitive Bids** (also see Section 5.5 for bid and non-bid justification requirements)

- 6.1.1 A minimum of three (3) bids shall be requested for competitive bidding.
- 6.1.2 Competitive bidding involving fewer than three (3) bidders shall be subject to approval by the Vice President, Chief Supply Officer or his/her designee(s), or the management of the Nuclear Materials, Purchasing & Contracts Department
- 6.1.3 The Electronic Bidding System should be utilized for competitive bidding, whenever reasonably possible.
- 6.1.4 Supply Chain will coordinate with Requesters to develop scope statements and gather specifications for preparation of RFPs or requests for quotes ("RFQs").
- 6.1.5 The RFP/RFQ contains pertinent information such as technical and commercial requirements, work scope, quantities, terms and conditions, instructions to bidders regarding Taxes applicable on the item/service purchased, deadlines, and other instructions to bidders.
- 6.1.6 All RFPs/RFQs must be issued to bidders by Supply Chain using customary methods of solicitation. Such methods may be accomplished by written or electronic means.
- 6.1.7 All bids must be received, opened and recorded by Supply Chain.
- 6.1.8 Requesters will participate in the evaluation process, providing any required technical evaluations. Supply Chain will evaluate and negotiate any associated commercial terms.
- 6.1.9 Supply Chain reserves the right to reject any or all bids.
- 6.1.10 The final evaluation should provide the lowest total cost considering form, fit, function, delivery, quality, performance, price and commercial terms.
- 6.1.11 The basis for the award must be documented.
- 6.1.12 Bid responses, including prices, must not be shared with competing suppliers before, during or after the award, except in the event of an on-line auction, and even then, only in conformity with rules surrounding such on-line auction.
- 6.1.13 Bid files will be kept by Supply Chain.

6.2 **Procedures for Processing of Invoices**

6.2.1 **Contracts.**

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- 6.2.1.1 Contract invoices must be processed in the Electronic Procurement System designating the Contract number.
- 6.2.1.2 Signature or electronic approval will satisfy the requirement for approval of disbursements in accordance with the Entergy System Approval Authority Policy.
- 6.2.1.3 Invoices exceeding the total Contract value will require a Change Order (see Section 5.7), unless the invoice is the supplier's final invoice and the invoice amount does not exceed the total Contract value by 10% or \$2,500, whichever is less.
- 6.2.1.4 The Contract Manager must ensure that the appropriate Contract number and payment terms are shown on the invoice, and that the invoice is properly approved and supported by detailed documentation when processed.

6.2.2 Purchase Orders.

- 6.2.2.1 Purchase Order invoices must go directly from the supplier to the Accounts Payable Department unless otherwise specified in the Purchase Order.
- 6.2.2.2 Purchase Orders require the prompt completion of a materials or goods receipt document or approval of the invoice verifying actual receipt of materials or goods, as well as their acceptance or rejection.
- 6.2.2.3 The receipt or approval of the invoice must be entered into the Electronic Procurement System within two working days of receipt of the materials or goods.

- 6.2.3 "Non-Purchase Order/ Non-Contracted Services". Invoices for non-inventoried materials or goods purchased without a Purchase Order and non-contracted services rendered without a Contract as described in Section 5.10.3 "Accounts Payable" must be properly received and processed for payment through Accounts Payable.

7.0 ATTACHMENTS

Attachment I - Purchase Order and Contract Execution Levels

Attachment II - Exclusions from the Entergy System Procurement Policy

Attachment III – Requirements for Procurement of Independent Contractors

Purchase Order and Contract Execution Levels

The following Purchase Order and Contract Execution levels are further limited by the authorization limit designated for the position approving the Initiating Procurement Document for a Purchase Order or Contract. Blanket Orders and general services agreements (GSAs) that do not have any material deviations from Entergy's standard agreement terms and conditions may be executed by any Supply Chain position title listed below without an authorizing Initiating Procurement Document provided that they do not commit Entergy funds. Legal Services must be consulted on GSAs that contain material deviations from Entergy's standard agreement terms and conditions; such GSAs must be signed by an individual with the title of Supply Chain Manager or above.

Position Titles	Purchase Order & Contract Execution Level (Amount Not To Exceed)
SUPPLY CHAIN (NON-NUCLEAR)	
Vice President, Chief Supply Officer	Unlimited
Director	\$ 20 million
Manager	\$10 million
Category Leader	\$1 million
Sr. Procurement Specialist	\$500,000
Procurement Specialist	\$250,000
NUCLEAR MATERIALS, PURCHASING & CONTRACTS	
Director	Unlimited
Manager	Unlimited
Procurement Supervisor, Contracts Supervisor	Unlimited
Commodity Leader	\$1 million
Sr. Staff, Sr. Lead, Sr. Procurement Specialist	\$500,000
Procurement Specialist, Associate Procurement Specialist	\$250,000

Exclusions from the Entergy System Procurement Policy

The following types of transactions are excluded from the Procurement Policy. However, the procurement provisions in this Policy should be followed for transactions outside of Supply Chain, where appropriate.

- Consultants hired by the Office of Chief Executive;
- Financial transactions involving the issuance, redemption, or retirement of securities and the purchase of insurance;
- Hiring of expert witnesses;
- Hiring of independent auditing firms by the Office of Chief Executive;
- Legal services;
- Banking and investing transactions involving the opening and closing of all Entergy System bank and investment accounts including those related to money pool activities;
- Purchase of bulk power by the System Operations Center;
- Purchase of fuels, fuel fabrication services and fuel-related transportation services for fossil and nuclear plants; and
- Transactions involving the purchase, lease, or disposition of real estate.

Requirements for the Procurement of Independent Contractors

The following requirements shall be used in the procurement of Independent Contractors. Refer to the Entergy System Contingent Workforce Management Policy for requirements applying to the procurement of contingent workers.

I. DEFINITIONS

“Former Employees” are those other than Retirees who previously have been in employment as a W-2 employee of an Entergy System Company.

“Retirees” are those Workers who retired from an Entergy System Company and have commenced receiving retirement benefits under a tax-qualified employee benefit pension plan sponsored by an Entergy System Company.

“Workers” are those individuals who (a) are not W-2 employees of an Entergy System Company; and (b) provide services to an Entergy System Company.

“Worker-Related Entities” are those Qualified/Conditionally Qualified Suppliers that have a W-9 on file with the Entergy System that uses (1) a social security number as its taxpayer or employer identification number or (2) a taxpayer or employer identification number that is not a social security number but has indicated that it will be treated as a sole proprietor (or disregarded entity) for federal income tax purposes.

II. PROCUREMENT OF INDEPENDENT CONTRACTORS

A. Mandatory Assessment of Workers Claiming Independent Contractor Status

Those wishing to retain the services of a Worker or Worker-Related Entity claiming Independent Contractor status must contact Supply Chain.

Supply Chain will perform a review, based on established criteria, to determine whether the Worker or Worker-Related Entity claiming Independent Contractor status is an Independent Contractor.

- If a Worker or Worker-Related Entity is determined to be an Independent Contractor, the individual (or entity) may not provide services to the Entergy System without a contract between the individual (or entity) and an Entergy System Company, negotiated and prepared by Supply Chain.
- If a Worker or Worker-Related Entity is determined (at the initial commencement of an engagement or at any time during such engagement) not to be an Independent Contractor, the individual (or

entity) shall not be allowed to provide (or continue providing, as applicable) services to the Entergy System unless the Worker first becomes a W-2 employee of an Entergy System Company or of a recognized staffing vendor through the Contingent Workforce Management Policy.

B. Required Approvals

1. All requests for procurement of an Independent Contractor must be approved in accordance with Section 5.3.3 of the Procurement Policy.
2. Special approvals for Returning Retiree or Former Employee Break-in Service Rule.
 - a) A Retiree may only provide services to the Entergy System as an Independent Contractor only if at least six months have elapsed since the Retiree's Entergy System Company retirement date unless an Entergy System Company officer and the Executive V.P. of HR&A or his/her designee have approved the arrangement.
 - b) A Former Employee may provide services to the Entergy System as an Independent Contractor only if at least three months have elapsed since the Former Employee's Entergy System Company termination date unless an Entergy System Company officer and the Executive V.P. of HR&A or his/her designee have approved the arrangement.

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Subject Matter Expert: Amanda Menniti	Responsible Officer: Executive Vice President & Chief Financial Officer		Approved By: Board of Directors

I. POLICY SUMMARY

- This Policy provides Approval and Execution authority for Entergy's regulated and non-utility businesses. Applicable transactions include Expense Transactions, Capital Funding Transactions, Procurement and Sales Contracts, Fuel and Revenue Contracts, Financial Transactions, Regulatory Ratemaking Transactions, and the Payment Events resulting from such transactions.
- All employees, agents and contractors of Entergy shall immediately report known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.
- **Please refer to the following detailed Policy for further information.**

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II. DETAILED POLICY

1.0 **PURPOSE AND APPLICABILITY**

The purpose of this Policy is to provide Approval and Execution authority for Entergy's regulated and non-utility businesses.

This Policy applies to any and all employees of any Entergy System Company, unless otherwise expressly excluded, as well as agents and contractors of any Entergy System Company. For purposes of this Policy, Entergy System Company shall mean Entergy Corporation and all of its subsidiaries and affiliates in which Entergy Corporation has a direct or indirect majority ownership in such subsidiary or affiliate.

The extent to which any specific provision in this Policy covers employees who are represented by a union may depend on negotiations with and/or a collective bargaining agreement with that union.

Nothing contained in this Policy should be construed to suggest that employees of a particular subsidiary or affiliate of Entergy Corporation are also employees of Entergy Corporation or any other affiliate or subsidiary of Entergy Corporation. Moreover, this Policy does not create any employment relationship between any person and any Entergy System Company, nor does this Policy confer any contractual right to any person to become or remain an employee of any Entergy System Company.

2.0 **REFERENCES & CROSS REFERENCES**

2.1 The following policies and documents should be read in conjunction with this Policy (Note however that if any of these documents conflicts with this Policy, this Policy shall govern.):

- Entergy Accounting Policies - Capital Funding Project Approval Policy
- Entergy Accounting Policies – Affiliate Transactions Accounting Policy
- The Entergy System Real Estate Policy
- The Entergy System Procurement Policy
- The Entergy System Corporate Purchasing Card Policy
- The Entergy System Corporate Risk Standards Policy and Related Standards
- The Entergy System Reporting Violations Policy

3.0 **DEFINITIONS**

3.1 **Approval** is management's commitment to bind the company to an obligation to sell, purchase, exchange, transfer, or use assets now or in the future through original signature, initials, or an electronic authorization. Approval should be sought prior to the execution of a binding contract, or when the Company takes an action such as the filing of

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a document with regulatory bodies or a third party which is not able to be rescinded for legal or practical reasons. Examples of such obligations are Expense Transactions, Capital Funding Transactions, Procurement Contracts, Fuel and Revenue Contracts, Financial Transactions, and Regulatory Ratemaking Transactions. Approval of a Resolution by the Board at one of its meetings signifies the Board's approval. Approval means approved by management or the authorized position level.

- 3.2 Capital Funding Transactions** (a) involve the transfer of ownership of tangible or intangible assets that meet the criteria for capitalization under the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts, Generally Accepted Accounting Principles (GAAP) and Entergy's Accounting Policies or (b) involve a lease or other similar transaction where possession and use of the asset is transferred to or acquired from an entity that is not an Entergy Subsidiary. If a Capital Funding Transaction is also a Financial Transaction, the capital and financing portions of the transaction should be reviewed and approved separately according to the corresponding authorization levels. Functional areas are responsible for working with the relevant corporate functions to develop new strategies and submit them to the appropriate authorities for approval. Capital Funding Transactions exceeding \$15 million are subject to review and concurrence/nonconcurrence by the Corporate Risk Committee and the VP, Planning and Financial Communications prior to approval. See Entergy's Capital Funding Project Approval Policy. (Authority limits are shown in "Capital/Contracts" column of Attachment I.)

Examples of Capital Funding Transactions include: (a) building, purchasing, replacing, or selling new or existing assets related to implementation of existing company strategies; (b) acquisitions of equity or debt in entities that are not Entergy Subsidiaries; (c) research and development; (d) land, real estate/property transactions; (e) acquiring licenses or permits where costs are capitalized; and (f) acquiring or selling automobiles, bucket trucks, aircraft, equipment, turbines, spare parts that are capitalized, and transmission and distribution poles.

- 3.3 Contract** is defined as a legally enforceable document, including Contract Change Orders and Amendments executed thereto, executed (signed) between an Entergy Business and a provider of materials, goods or services that defines the respective parties' obligations and the terms and conditions that govern them.

Contracts should be approved in accordance with the guidance set forth in this Policy for Capital Funding Transactions, Expense Transactions, Financial Transactions, Fuel Contracts, Procurement Contracts and Transactions, Revenue Contracts and Sales Contracts and Transactions.

- 3.4 Corporate Compliance Committee** is responsible for reviewing and revising system policies and ensuring that adequate policy and procedure coverage exists for all Entergy System Companies.

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- 3.5 Corporate Risk Committee** may be either the Regulated Corporate Risk Committee or the Unregulated Corporate Risk Committee described in Section 4.4 of this Policy.
- 3.6 Credit Card** - A privilege granted to an entity or individual by a bank, business, service provider, or other similar entity (creditor) authorizing the holder to buy goods or services now for payment in the future (based on the entity or individual's solvency or reliability) in lieu of immediate payment by cash or check. This privilege is exercised by the cardholder or a duly authorized representative upon presentation of an issued Credit Card when making a purchase. Under this Policy, the establishment and/or use of a Credit Card in the name of Entergy or an Entergy subsidiary for Entergy business purposes is considered a Financial Transaction. The Corporate Purchasing Card Policy governs the establishment and/or use of Credit Cards in the name of Entergy or an Entergy Subsidiary. Any Credit Card use that is conducted for Entergy business purposes using a credit card issued in the name of Entergy or an Entergy subsidiary, other than a properly issued corporate purchasing card, is considered an unauthorized transaction.
- 3.7 Delegation of Authority** - The act of assigning one's transaction Approval and/or Execution authority as defined under this Policy to another Entergy employee. A valid Delegation of Authority enables an Entergy employee to approve and/or execute transactions based on the transactions specified and authority level (in dollars) granted by the delegator. The authority delegated to an employee may not exceed the authority available to the delegator under this Policy. In order to be valid, a Delegation of Authority must be issued pursuant to the provisions of Sections 5.1 and 5.2 of this Policy.
- 3.8 Entergy** - Entergy Corporation.
- 3.9 Entergy Businesses** - All businesses conducted by an Entergy Subsidiary. Entergy Businesses may be either Regulated Entergy Businesses or Non-utility Entergy Businesses.
- 3.10 Entergy Subsidiary** - Any corporation, limited liability company, partnership or other entity, in which Entergy owns more than 50% of its voting securities directly or indirectly.
- 3.11 Execution** occurs when an individual takes action(s) to complete an approved transaction. If the individual who executes the transaction is not the approver, this person must act under either (a) a Delegation of Authority to execute or (b) in accordance with policies that are adopted by the Corporate Compliance Committee, as in the case of the Supply Chain or Real Estate Organizations. An individual executing an approved transaction must examine supporting documentation to determine that the conditions specified or implied in the approval are satisfied. Examples include the signing of a Procurement Contract by a procurement representative subsequent to the approval of a purchase requisition by the authorized approver. Refer to the Entergy System Procurement Policy and the Real Estate Policy for further information.

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- 3.12 Expense Transactions** are those transactions necessary for day to day operations that are not a Capital Funding Transaction, Procurement Contract, Sales Contract, Fuel Contract, Revenue Contract, Financial Transaction or Regulatory Ratemaking Transaction. These transactions are the responsibility of the functional area, whose management is accountable for authorized transactions. Expense Transactions involving transfers of cash or cash equivalents from Entergy Businesses to a non-affiliated entity (including agency agreements) for ultimate payment of an obligation by an Entergy Business to a third party should be approved as a Financial Transaction in addition to the approval required for such transactions under this Policy. (Authority limits shown in "Expense/Contracts" column of Attachment I.)

Examples of Expense Transactions are professional dues, subscriptions, employee seminars, non-fuel transportation, catering, and supplies.

- 3.13 Financial Transactions** are (a) transactions by an Entergy Subsidiary that involve: borrowing or lending funds on a secured or unsecured basis; issuing, redeeming or purchasing common or preferred equity, debt or other securities of an Entergy Subsidiary; dividends; transfers of funds and other similar Financial Transactions with another Entergy Subsidiary; (b) transfers of ownership of assets through a sale/leaseback, a lease termination or other Financial Transaction in which an Entergy Subsidiary continues to possess and use the asset, (c) transfers of funds from Entergy to an Entergy Subsidiary or guarantees and lending of credit by Entergy for the benefit of an Entergy Subsidiary (guarantees require approval by the Entergy CFO or Treasurer), (d) transfers of assets that meet the criteria for classification on balance sheet as cash and cash equivalents or receivables under Generally Accepted Accounting Principles and Entergy Accounting Policies, (e) transactions involving settlement of litigation or binding arbitration, (f) transfers of cash or cash equivalents from Entergy Businesses to a non-affiliated entity (including agency agreements) for ultimate payment of an obligation by an Entergy Business to a third party or authorization for a non-affiliate entity to receive cash or cash equivalents that are owed to an Entergy Business from a third party, (g) transactions that hedge interest rate, foreign exchange or other non-commodity price exposures, (h) master agreements that establish the credit terms for commodity-related purchases or sales, or (i) use of Credit Cards established in the name of Entergy or an Entergy Subsidiary. If a transaction or a component of a transaction is a Financial Transaction, it should be approved as a Financial Transaction in addition to any other transaction approvals required under this Policy. The issuance or acquisition of securities issued by Entergy must be approved by the Entergy Board of Directors. Entering into or changing such financial obligations must be approved under the authority given financial officers within this Policy. (Authority limits are shown in "Financial" column of Attachment I.)

- 3.14 Fuel Contracts** are (a) contracts for fuel, fuel transportation, related goods and/or services purchased from a third party supplier in order for an Entergy Business to produce electricity, (b) contracts for purchase of electricity or natural gas for sale to

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customers, or (c) derivative contracts (i.e. settled financially) relating to electricity, natural gas or another commodity. Contracts involving transfers of cash or cash equivalents from Entergy Businesses to a non-affiliated entity (including agency agreements) for ultimate payment of an obligation by an Entergy Business to a third party should be approved as a Financial Transaction in addition to the approval required for contracts under this Policy. Fuel Contracts exceeding \$50 million or 5 years are subject to review and concurrence/nonconcurrence by the Corporate Risk Committee prior to approval. Fuel Contracts may be classified as either **Regulated Fuel Contracts** which are Fuel Contracts for a Regulated Entergy Business, or **Non-utility Fuel Contracts** which are Fuel Contracts for a Non-utility Entergy Business. (Authority limits are shown in "Fuel/Revenue Contracts" column of Attachment I.)

Examples of Fuel Contracts include fuel purchase agreements, fuel transportation agreements, wholesale electric power purchase agreements, capacity purchase agreements, fixed-to-floating gas and power swap agreements, and nuclear fuel purchase agreements.

- 3.15 Payment Events** are the processing of payments for previously approved transactions and those for which the company is legally obligated (Refer to Attachment I). The payment process represents the Execution of the payment for a transaction that has been properly approved. Payment Events are to be initiated and approved by the appropriate position levels defined in the Payment Event Authorization Table (Refer to Attachment I) and executed (i.e., payment disbursed) by the Accounts Payable Department. (Authority limits are shown in "Payment" column of Attachment I.)

Examples of Payment Events are payment of an invoice for goods or services received under an approved contract, an approved employee expense reimbursement, expenditures under an approved Capital Funding Transaction, interest and dividends, bulk power invoices under approved contracts, intercompany billings under existing agreements, and taxes.

- 3.16 Procurement Contracts and Transactions** are those contracts and transactions that legally bind the company for goods or services used in operations. Contracts and transactions involving transfers of cash or cash equivalents from Entergy Businesses to a non-affiliated entity (including agency agreements) for ultimate payment of an obligation by an Entergy Business to a third party should be approved as a Financial Transaction in addition to the approval required for contracts under this Policy. If a Procurement Contract and Transaction also is a Capital Funding Transaction, Fuel Contract or Revenue Contract, then it should be approved as a Capital Funding Transaction, Fuel Contract or Revenue Contract. (Authority limits shown in "Expense/Contracts" or "Capital/Contracts" column of Attachment I as appropriate). If a Procurement Contract or Transaction contains capital and expense components, the Procurement Contract or Transaction may be separated into these individual components for purposes of determining the level of approval required. The Corporate Risk Control Standards should

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be consulted in conjunction with this Policy to determine the requirements for CRC review for projects that contain multiple components.

Examples of Procurement Contracts and Transactions are purchases of office supplies, purchases of spare parts that are not capitalized, operation & maintenance contracts with third parties, and professional service agreements with third parties.

- 3.17 Regulated Entergy Businesses** are defined as all businesses being conducted by:
- Entergy Arkansas, Inc., Entergy Gulf States Louisiana, LLC, Entergy Texas, Inc., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., System Energy Resources, Inc., System Fuels, Inc. and Varibus LLC
 - Functional areas of Entergy Services, Inc. and Entergy Operations, Inc., including Energy Management Organization, Transmission, Fossil Operations, Entergy Operations, and regulated retail
 - Any other business being conducted by a Subsidiary of Entergy that is defined as regulated under applicable Codes of Conduct established by the Federal Energy Regulatory Commission or state/local regulatory commissions.

- 3.18 Regulatory Ratemaking Transactions** include agreements, settlements or settlement provisions, and Company positions involved in revenue requirement determination, rate setting or cost recovery proceedings before federal, state, or local regulatory commissions or agencies. The Entergy CFO and/or CAO shall review and approve the accounting treatment and be informed of the potential effect on financial results of any proposed agreements, settlements, or Company positions. (Authority limits are shown in "Regulatory Ratemaking" column of Attachment I.)

Examples of Regulatory Ratemaking Transactions include settlement agreements associated with base rate increase requests, accounting treatment (for regulatory purposes) for issues/transactions included in rate filings or agreements to settle, and proposed Company positions on recovery of fuel or fuel-related costs through fuel clauses.

- 3.19 Revenue Contracts** are contracts for products or services sold by an Entergy Business to a party that is not an Entergy Subsidiary. Contracts providing for authorization for a non-affiliate entity to receive cash or cash equivalents that are owed to an Entergy Business from a third party should be approved as a Financial Transaction in addition to the approval required for contracts under this Policy. Revenue Contracts exceeding \$50 million or 5 years are subject to review and concurrence/nonconcurrence by the Corporate Risk Committee prior to approval. Revenue Contracts may be classified as either **Regulated Revenue Contracts** which are Revenue Contracts for a Regulated Entergy Business, or **Non-utility Revenue Contracts** which are Revenue Contracts for a Non-utility Entergy Business. (Authority limits are shown in "Fuel/Revenue Contracts" column of Attachment I.)

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Examples of Revenue Contracts include wholesale electric power sales agreements, sales of capacity, standard electric service agreements, special pricing arrangements for regulated electric service, end-user customer agreements for Non-utility Entergy Businesses, pole attachment agreements, interconnection agreements, and transmission service agreements.

3.20 Risk Transactions are defined as:

- Any purchase, sale or exchange of (a) electricity, (b) natural gas, fuel oil, coal, or another fuel (including nuclear fuel and fuel fabrication), (c) a physical asset, such as all or part of a generating, transmission or distribution facility, that alters Entergy's market or credit risk exposure or (d) a derivative instrument relating to commodities.
- Any transfers of cash or cash equivalents from Entergy Businesses to a non-affiliated entity (including agency agreements) for ultimate payment of an obligation by an Entergy Business to a third party or authorization for a non-affiliate entity to receive cash or cash equivalents that are owed to an Entergy Business from a third party.
- Any affiliate transaction that affects the jurisdictional rates of a public utility or a natural gas company that are under the jurisdiction of federal and/or retail regulations.

3.21 Sales Contracts and Transactions are those contracts and transactions that legally bind the company for goods or services provided to a third party. Contracts or transactions providing for authorization for a non-affiliate entity to receive cash or cash equivalents that are owed to an Entergy Business from a third party should be approved as a Financial Transaction in addition to the approval required for contracts under this Policy. If a Sales Contract and Transaction also is a Capital Funding Transaction, Fuel Contract or Revenue Contract, then it should be approved as a Capital Funding Transaction, Fuel Contract or Revenue Contract. (Authority limits shown in "Capital/Contracts" column of Attachment I)

Examples of Sales Contracts and Transactions are sales of assets through investment recovery activities, billings to customers for reimbursement of the cost of goods or services provided that are not electric or gas service billings, and granting licenses, custom software, or other intellectual property.

3.22 Transaction or transaction - Any act or event that results or will result in the purchase, sale, exchange, transfer or use of Company assets now or in the future.

3.23 Non-utility Entergy Businesses - All businesses being conducted by a Subsidiary of Entergy that is not a Regulated Entergy Business. Non-utility Entergy Businesses currently includes Entergy Wholesale Commodities.

4.0 RESPONSIBILITY

4.1 Approval Responsibility

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Transactions related to a specific functional area should be approved by an individual in that functional area, subject to the individual's approval authority. Transactions related to Entergy as a whole or that fall outside a functional area's approval authority level should be approved by Entergy's Senior Management. If a transaction or the components of a transaction fit more than one category of transactions, it should be approved under its most restrictive approval level.

4.2 Other Legal Approvals

The approvals in this Policy are in addition to other approvals that may be required by the organizational documents or law for an entity to engage in a specific transaction.

4.3 Policy Responsibility

The Chief Accounting Officer is responsible for administering this Policy. Changes to the levels for Execution of Transactions included in Attachment I may be implemented upon approval in writing by both the Chief Executive Officer and the Chief Accounting Officer of Entergy Corporation.

4.4 Corporate Support and Review Responsibility

VP, Planning and Financial Communications is responsible for review and concurrence/nonconcurrence for all Capital Funding Transactions over \$15 million.

Even though a Risk Transaction would not otherwise require Corporate Risk Committee review under this Policy, if the Transaction exceeds one or more risk metrics (relevant to the Risk Transaction in question) as defined by the Risk Standards or as determined by the Office of Corporate Risk Oversight (OCRO) and Chief Accounting Officer (or his/her designee), then it must be reviewed by the Corporate Risk Committee.

Regardless of whether the dollar value of a Transaction meets the threshold requiring approval of the Entergy CEO as detailed in Attachment I, if the Transaction exceeds one or more risk metrics as determined by the OCRO and the Chief Accounting Officer then such Transaction will require the approval of the Entergy CEO or his/her designee.

The Unregulated Corporate Risk Committee and Regulated Corporate Risk Committee, consisting of voting and advisory members, must review and concur/non-concur on (1) all Capital Funding Transactions, Procurement Contracts and Sales Contracts over \$15 million, (2) all Fuel Contracts and Revenue Contracts over \$50 million or 5 years, (3) other transactions if review is requested by the approving officer, or (4) a Risk Transaction if the OCRO indicates the transaction exceeds a specified risk metric. (Refer to the Corporate Risk Control Standards for information on specified risk metrics.)

The Regulated Corporate Risk Committee shall review transactions related to the Regulated Entergy Businesses and the Unregulated Corporate Risk Committee shall review Transactions related to Non-utility Entergy Businesses. In exceptional

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circumstances, the Entergy CFO may determine that Corporate Risk Committee review is not required.

The Entergy CEO has the authority to designate the above-described corporate support and review responsibilities to other corporate functions. Any modifications to the designations will be documented in the Corporate Risk Control Standards when the responsibilities are shifted.

4.5 Reporting Violations

All employees, agents and contractors of Entergy shall immediately report known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.

5.0 DETAILS

All transactions covered by this Policy should be approved and executed according to the definitions included in the Policy and the amounts detailed in Attachment I except for those transactions requiring the approval of the Entergy Corp CEO as described in Section 4.4 of this Policy. The dollar levels included in Attachment I are determined per transaction and should be determined using the guidance as set forth in Appendix C of the Regulated Corporate Risk Controls Standards and Appendix C of the Unregulated Corporate Risk Controls Standards. Related transactions may not be submitted or approved individually.

Unless otherwise designated, all executive, management, and supervisory levels and related positions designated on Attachment I refer to individuals who are assigned to such approval levels and hold such positions at the subject company, at Entergy Services, Inc. or at Entergy Corporation. Information on individual approval levels can be found on the EntergyNet Portal in the employee's profile under the Phonebook by clicking the "View Profile" icon under the employee's name on the Org Chart. The Phonebook web link is:

<https://portal.entergy.com/EntergyNET/appmanager/EntergyNET/desktop? nfpb=true& pageLabel=phoneBook>.

5.1 Delegation of Authority

5.1.1 Temporary Delegations of Authority of Vice Presidents and Above

Vice Presidents and above may make temporary delegations of their authority without seeking approval for a period no longer than six months.

- The officer making such delegation is responsible to ensure that the delegation is prudent and that the delegate has the appropriate experience and skill to properly exercise the delegated responsibility.
- Such delegation must be properly documented as detailed in Controls below.

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Vice Presidents and above may also temporarily assume the approval authority of the officer to whom they report in that individual's absence without seeking approval for a period no longer than six months.

- The absent officer must send written notification to the Finance Operations Center and the Chief Accounting Officer stating that they are unavailable.

5.1.2 Temporary Delegations of Authority of Employees Below Vice President

Employees below the level of Vice President are not permitted to grant delegations of authority and/or approve delegations of authority to others under their supervision without Vice President approval.

5.1.3 Delegations of Authority Longer Than Six Months

The Chief Accounting Officer has the authority to approve requests for Delegation of Authority for a period longer than six months to ensure orderly Execution of routine transactions and special non-routine transactions. A form similar to Attachment II should be used to document the request and submitted to the Chief Accounting Officer for approval. Temporary Delegations of Authority (i.e., under six months) should not be renewed repeatedly in order to satisfy a lower approval threshold.

- 5.1.4** Delegation of Authority under this Policy does not relieve the delegator of primary responsibility for approval of a transaction. Additionally, authority that has been delegated may not be passed onto another employee.

5.2 Controls

The original approved delegation (similar to Attachment II) OR a scanned image of the form MUST be forwarded to the Finance Operations Center at L-AERO-4 or emailed to the APWIRES internal address for record verification.

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6.0 PROCEDURES

None.

7.0 ATTACHMENTS

Attachment I - Entergy System Approval and Execution Authorization Tables for Expense Transactions, Capital Funding Transactions and Procurement Contracts Transactions, Fuel/Revenue Contracts and Transactions, Financial Transactions, Regulatory Ratemaking Transactions, and Payment Events.

Attachment II – Delegation of Authority Approval Form – Sample

Attachment I

ENTERGY SYSTEM APPROVAL AND EXECUTION AUTHORIZATION TABLE

\$M (millions) \$K (thousands)		FOR APPROVAL AND EXECUTION OF TRANSACTIONS					FOR APPROVAL OF PAYMENT EVENTS
Approval Level ¹	Level Authorized to Approve / Execute (includes these positions)	Expense/Contracts ⁵	Capital ³ / Contracts ^{4,5}	Fuel/ Revenue Contracts ²	Financial ⁶	Regulatory Rate-making	Payment
1	Entergy Corp. Board of Directors	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
2	Entergy Corp. Chairman	\$500M	\$ 75M ⁴	\$ 500M	Unlimited	\$ 500M	Unlimited
2A	Entergy Corp. CEO ²	\$500M	\$ 50M ⁴	\$ 500M	Unlimited	\$ 500M	Unlimited
3	Entergy Corp. President, Group President, COO	\$250M	\$ 25M ⁴	\$ 250M	None	\$ 250M	Unlimited
3A	Entergy Corp. CFO	\$250M	\$ 25M ⁴	\$ 250M	Unlimited	\$ 250M	Unlimited
3B	Entergy Corp. and Entergy Services Exec. Vice Presidents	\$50M	\$ 15M ⁴	\$ 50M	None	\$ 50M	Unlimited
4	Presidents and/or Senior VP's	\$ 10M	\$ 10M	\$ 15M	None	\$ 15M	\$ 10M
4A	CEO Entergy Operations, Inc.	\$100M	\$ 25M ⁴	\$ 100M	None	\$ 15M	Unlimited
4B	VP – System Planning	\$ 10M	\$ 10M	\$ 50M	None	None	\$ 50M
4C	Executive VP & General Counsel	\$ 10M	\$ 10M	\$ 15M	\$ 50M ⁷	\$ 15M	\$ 10M
5	Presidents (Nuclear, Retail, etc.)	\$ 10M	\$ 10M	\$ 15M	None	None	\$ 10M
6	Senior VP - Chief Accounting Officer	\$ 10M	\$ 10M	\$ 15M	\$ 100M	\$ 15M	\$ 50M
6A	Senior VP - General Tax Counsel	\$ 10M	\$ 10M	\$ 15M	\$ 50M ⁸	None	\$ 50M
7	Vice Presidents	\$ 5M	\$ 5M	None	None	None ^{12,13}	\$ 5M
7A	Vice President & Treasurer	\$ 5M	\$ 5M	None	\$ 100M	None	\$ 50M
7B	Director – Energy Management Organization	\$ 5M	\$ 5M	\$ 15M ⁹	None	None	\$ 15M
7C	Vice-President & Chief Procurement Officer	\$ 5M	\$ 15M ⁴	None	None	None	\$ 5M
7D	Corporate Financial Vice Presidents	\$ 5M	\$ 5M	None	\$10M	None	\$ 15M
7E	Storm Boss ¹¹	\$ 10M	\$ 10M	None	None	None	\$ 10M
8	Non-Corporate Financial and Non-Financial Executive Directors and Directors, Nuclear General Plant Managers, Associate General Legal Counsel, Assistant General Tax Counsel	\$ 1M	\$ 1M	None	None	None	\$ 1M

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\$M (millions) \$K (thousands)		FOR APPROVAL AND EXECUTION OF TRANSACTIONS					FOR APPROVAL OF PAYMENT EVENTS
Approval Level ¹	Level Authorized to Approve / Execute (includes these positions)	Expense/Contracts ⁵	Capital ³ / Contracts ^{4,5}	Fuel/ Revenue Contracts ²	Financial ⁶	Regulatory Rate-making	Payment
8A	Functional CFO, Financial Controller, Corporate Financial Directors	\$ 1M	\$ 1M	None	\$ 5M	None	\$ 15M
11 ¹⁰	Non-Corporate Financial and Non-Financial Managers, Superintendents	\$ 100K	\$ 100K	None	None	None	\$ 100K
11A	Corporate Financial Managers	\$ 100K	\$ 100K	None	\$ 1M	None	\$ 10M
11B	Power Plant General Managers	\$ 500K	\$ 500K	None	None	None	\$ 500K
15	Supervisors, Assistant Operations Managers, Shift Managers/Supervisors, Control Room Supervisors, Assistant Superintendents	\$ 10K	\$ 10K	None	None	None	\$ 10K

¹ Information on individual approval levels can be found on the EntergyNet Portal in the employee's profile under the Phonebook by clicking the "View Profile" icon under the employee's name on the Org Chart. The web link is https://portal.entergy.com/EntergyNET/appmanager/EntergyNET/desktop?_nfpb=true&phonebook_portlet_actionOverride=%2Fportlet%2FmyFunction%2FOrgCharts%2FdoneNested&_windowLabel=phonebook_portlet.

² Fuel/Revenue Contracts exceeding \$50 million or 5 years are subject to review and concurrence by the Corporate Risk Committee before contract is signed.

³ Capital projects and transactions must be approved and executed in accordance with the Entergy System Capital Funding Project Approval Policy.

⁴ Capital/Contract transactions that exceed \$15 million must be reviewed and recommended by the VP, Planning and Financial Communications and the CRC or the CFO prior to being submitted for approval.

⁵ If a Contract transaction contains capital and expense components, the Contract transaction may be separated into these individual components for purposes of determining the level of approval required. The contract requestor is responsible for providing and maintaining data supporting the monetary determination of the individual components.

⁶ Litigation settlements exceeding \$50 million require approval by the Entergy Board of Directors. Non-tax related litigation settlements between \$0 and \$50 million require the approval of the Senior VP & General Counsel. Tax-related litigation settlements between \$0 and \$50 million require the approval of the Senior VP & General Tax Counsel.

⁷ Authority limit applies only to non-tax related litigation settlements.

⁸ Authority limit applies only to tax related litigation settlements.

⁹ Director – EMO has authority to approve and execute all gas hedge transactions that have been pre-approved by the applicable state regulatory agency.

¹⁰ Excluded under these authority levels are Senior Project Managers, Project Managers, and Work Week Managers in the Nuclear organization.

¹¹ Authority limit applies only to storm restoration related transactions.

¹² VP – Regulatory Services and VP – Regulatory Affairs have authority up to \$5 million for transactions in this category.