

131 FERC ¶ 61,216  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 3, 2010

In Reply Refer To:  
Entergy Services, Inc.  
Docket No. ER07-682-005

Entergy Services, Inc.  
101 Constitution Avenue, NW  
Suite 200 East  
Washington, DC 20001

Attention: Andrea J. Weinstein  
Assistant General Counsel for Entergy Services, Inc.

Dear Ms. Weinstein:

1. On March 12, 2010, Entergy Services, Inc. (Entergy) filed on behalf of the Entergy Operating Companies,<sup>1</sup> revisions to Service Schedule MSS-3 to the System Agreement to comply with Commission Opinion No. 506.<sup>2</sup> In Opinion No. 506, the Commission affirmed the initial decision regarding Entergy's proposal to amend Service Schedule MSS-3 of its System Agreement to include affiliate labor in the calculation of labor ratios in the bandwidth formula. In doing so, the Commission recognized that certain parties<sup>3</sup> had expressed a concern that Accumulated Deferred Income Taxes (ADIT) related to general and intangible plant were being functionalized based on plant ratios and were not part of Entergy's proposal to functionalize general and intangible plant based on labor ratios. Entergy responded to their concern and agreed to make a

---

<sup>1</sup> The Entergy Operating Companies are: Entergy Arkansas, Inc.; Entergy Gulf States Louisiana, L.L.C.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy Texas, Inc.; and Entergy New Orleans, Inc.

<sup>2</sup> *Entergy Services, Inc.*, Opinion No. 506, 130 FERC ¶ 61,026 (2010).

<sup>3</sup> *See, e.g.*, Joint Parties' (Louisiana Public Service Commission, Council of the City of New Orleans, Mississippi Public Service Commission, Occidental Chemical Corporation, and Louisiana Energy Users Group) Brief on Exceptions at 35-37; Trial Staff's Brief Opposing Exceptions at 26-29; Arkansas Public Service Commission's Brief Opposing Exceptions at 30-31.

conforming change with respect to the functionalization of ADIT. Therefore, the Commission ordered Entergy to make a compliance filing with that change, within 60 days of the date of its order.<sup>4</sup>

2. Entergy states in its compliance filing that it is unclear whether the Commission intended to functionalize the ADIT associated with *both* general and intangible plant or only general plant. Therefore, Entergy states that it has submitted two versions of the revised tariff sheets: one version using labor ratios to functionalize ADIT related to general plant<sup>5</sup> and the other version using labor ratios to functionalize ADIT related to both general and intangible plant.<sup>6</sup> Entergy requests that the Commission indicate which version complies with Opinion No. 506, and requests an effective date of May 30, 2007.<sup>7</sup>

3. Notice of Entergy's compliance filing was published in the *Federal Register*, 75 Fed. Reg. 13,529 (2010), with interventions and protests due on or before April 2, 2010. A notice of intervention was filed by the Arkansas Public Service Commission.

4. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2009), Arkansas Public Service Commission's notice of intervention serves to make it a party to this proceeding.

5. It was our intent that Entergy functionalize ADIT related to *both* general and intangible plant. Accordingly, we accept Entergy's revised tariff sheets that functionalize ADIT related to *both* general and intangible plant, to be effective May 30, 2007, as requested. We reject Entergy's revised tariff sheets that functionalize ADIT related to general plant only.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

---

<sup>4</sup> Opinion No. 506, 130 FERC ¶ 61,026 at P 105-08.

<sup>5</sup> See Attachments A and C to Entergy Services' compliance filing.

<sup>6</sup> See Attachments B and D to Entergy Services' compliance filing.

<sup>7</sup> May 30, 2007 is the date that the Commission stated that Entergy's amendments to the bandwidth formula in Service Schedule MSS-3 could become effective. *Entergy Services, Inc.*, 119 FERC ¶ 61,190 (2007) (order setting amendments for hearing and settlement judge procedures).