February 26, 2010

ICT & E-RSC Stakeholders,

The purpose of this letter is to explain the process the E-RSC will use to solicit and incorporate Stakeholder input on proposed Enhancements to the Independent Coordinator of Transmission (ICT). Included with this letter is a “Draft Agenda” for the E-RSC March 18, 2010 meeting in New Orleans, Louisiana.

Yesterday around 5:00 pm CST you received an email from Ben Bright at SPP regarding an initial set of nine draft recommended Enhancements developed by the E-RSC staff working group. That initial list of Enhancements is included as Attachment 1 to the Draft Agenda. I truly appreciate the hard work and efforts of all involved in developing this initial list of proposed Enhancements.

As the email mentioned, the staff working group believes that this list of nine issues represents Enhancements that should be relatively economic and timely to implement and reduce costs to customers. Please note, while the staff working group believes that the costs to implement the nine draft Enhancements are economic; these costs are not known with any degree of certainty. In order to facilitate a productive E-RSC meeting on March 18th, we are requesting that all Stakeholders provide the E-RSC, as well as other Stakeholders, a response to the staff working group’s draft recommendations by 12 noon CST on Friday, March 5, 2010. In your response, please state whether your organization (1) supports or (2) opposes each Enhancement individually. If your organization opposes the Enhancement, please provide the reasons for opposition.

Finally, although the staff working group’s draft recommendations included an “Implementation Plan,” my thoughts are that the E-RSC will consider the timing of implementation after all remaining Enhancements have been addressed and finalized. Then, the E-RSC will create an implementation timeline with Stakeholder input.

Remaining List of Proposed Enhancements

The remaining list of Stakeholder-proposed Enhancements is included as Attachment 2 to the Draft Agenda. Members of the E-RSC staff working group believe more input is needed from the Stakeholders before the E-RSC staff can make a recommendation on these issues. In order to
help the E-RSC and the E-RSC staff work through this list, we are requesting that the Stakeholders provide more specific details on how each of remaining issues can be solved.¹ The Stakeholders are encouraged to work together or separately on these remaining issues. Regardless of how Stakeholders address the remaining proposals, the E-RSC needs greater detail to be provided to the E-RSC working group.

**Stakeholder Input on FERC Funded CBA**

Let me begin by thanking NRG’s Jennifer Vosburg for her leadership for pulling together Stakeholders and submitting an initial proposal for Stakeholder involvement in the FERC Cost Benefit Analysis (CBA). As the E-RSC has stated before, Stakeholder involvement in this CBA is a critical element. The Stakeholders’ proposal was very helpful in the development of a memorandum on Stakeholder input which is attached to this letter. The attached Stakeholder CBA input memorandum has been reviewed by the E-RSC staff working group and is currently being reviewed at FERC. I would encourage the Stakeholders to address this memorandum at the upcoming Stakeholder meeting scheduled for March 10, 2010 in Dallas, Texas.

As has been stated before, I want to thank all Stakeholders for their input as we all work through this process to make improvements to the ICT. If you have any questions or want to offer suggested changes to this process or the attached “Draft Agenda” please let me or my E-RSC colleagues know.

Sincerely,

Paul Suskie, President
Entergy Regional State Committee

Enclosures: Draft Stakeholder Input for Entergy CBA Study (2-26-10).pdf
E-RSC Agenda and Attachments 1 and 2 for March 18 Meeting.pdf

¹ This could include a wide variety of details, including proposed changes to current tariff language.