Entergy Retail Regulators Meeting  
August 11, 2009  
Astor Crown Plaza - New Orleans, LA

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<td>Olan Reeves</td>
<td>Arkansas Public Service Commission</td>
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<td>Colette D. Honorable</td>
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<td>Paul Suskie</td>
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<td>Kenneth W. Anderson, Jr.</td>
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<td>Clyde Holloway</td>
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<td>Brandon Presley</td>
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<td>Shelley Midura</td>
<td>New Orleans City Council</td>
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Agenda Item 1 – Welcoming Remarks

Meeting called to order at 12:35 p.m. In addition to the regulators listed above, many Entergy stakeholders and interested parties attended this meeting.

APSC Chairman Paul Suskie opened the meeting explaining that his experience, and that of other commissioners as well, in the Southwest Power Pool Regional State Committee (‘SPP-RSC’) has allowed for increased conversations between state regulators and has aided in alignment between the states on SPP RTO issues. Chairman Suskie also stated his belief that extending this process to the Entergy states would provide positive results.

LPSC Commissioner Jimmy Field stated he felt the formation of the Entergy Regional State Committee (‘E-RSC’) would be an important step in learning about transmission issues. Commissioner Field also stated that the E-RSC, if formed, would be an important part of the cost benefit study of Entergy moving to the SPP RTO. If the study results come back negative this group would be in place. If the results are positive, this group would be able to help guide Entergy during the transition to SPP membership.

Chairman Suskie commented that this meeting is to discuss the possibility of forming the E-RSC and for beginning the necessary dialogue regarding the interest of the state regulators in forming the E-RSC. Nothing will be decided in this meeting but will set the stage for further dialogue.

Agenda Item 2 – Do Entergy’s Retail Regulators want to Enhance the ICT with the creation of an Entergy Regional State Committee?

Chairman Suskie discussed the opening of the APSC docket (Docket 08-136-U) to look at transmission issues and that the APSC has learned a lot along the way about cost allocation and Entergy’s system agreement. He stated that he would be in favor of the E-RSC and to continue learning and building better relationships with the other states.
MPSC Commissioner Brandon Presley stated he is only one of three commissioners and could not speak on behalf of his fellow Commissioners but that he is open to the concept of an E-RSC and will take the information from today’s meeting back to them for discussion and a decision.

Shelley Midura, representing the New Orleans City Council, stated that she is one of seven members of the Council and would make a positive recommendation for approval in early to mid-September.

LPSC Commissioner Field stated that he one of five commissioners, and is open to the idea and feels that since the group of states share in transmission costs they should also share in input. He will bring the idea to the commission for approval on September 17 and would expect a decision in 60 days.

PUCT Commissioner Kenneth Anderson stated he is one of three commissioners and felt since he was chosen to serve on the E-RSC that the PUCT was very open to the formation of the group. He will brief the commission on this meeting on Thursday during their agenda meeting.

**Agenda Item 3 – If an E-RSC is to be created what authority should the E-RSC have?**

**Budget for expenses** – If the E-RSC is formed how will E-RSC O&M costs be handled under the Entergy OATT? Kim Despeaux (Entergy attorney) stated she was not sure if there would be any change required to the OATT. She also stated she thought that E-RSC expenses would be collected through the ICT or ESI; either way they would need timely cost recovery. Bruce Rew (SPP) agreed that the ICT would be agreeable to collecting fees, and just needs to review the scope of participation and budget for it. Chairman Suskie envisions a budget to be set at an open meeting as occurs for the SPP-RSC. At this point no budget estimations have been made. A budget will vary based on meeting logistics and any consultant needs. Every effort will be made to set meetings around other activities of the stakeholders. Commissioner Anderson agrees that the ICT should be the collector of fees. Commissioner Field asked Kim Despeaux what percentage of the base rate are transmission charges. Kim did not know the answer but said she would report back to the Commissions with that information.

**Authority of E-RSC** – Chairman Suskie said the authorities and duties of the proposed E-RSC are still on the table but shared his ideas:

- Evaluation of the differences in the ICT Base Plan and the Entergy Construction Plan
- Cost allocation issues and Attachment T
- Policy statements
- Scope of the Cost/Benefit Analysis
Agenda Item 4 – FERC’s offer to pay for the Cost Benefit Analysis (CBA) Study involving Entergy joining the SPP-RTO.

Chairman Suskie stated that he felt that the CBA should be handled through the E-RSC. Many entities want input to the scope and issues for this study and the E-RSC would be the right vehicle to work on this. He stated that as soon as the E-RSC gets approved by the states they could begin working on the CBA. Commissioner Field says he appreciates the APSC leadership on the CBA issue and it’s willingness to share in the process. He supports this approach. Mike McLaughlin (FERC) stated that FERC would not have any issues with the E-RSC leading the study and thought it was very positive. Chairman Suskie stated that the CBA process might be slowed with the E-RSC but it is more important to do it right rather than doing it quickly. Council-woman Midura stated she was concerned that any on-hold projects would be put in limbo during this process and wants to make sure they are going forward and no further delays are experienced. Commissioner Anderson stated he liked this approach for the CBA and looked forward to working with the group. Commissioner Presley also agreed with the approach and stated that the CBA should be the immediate focus after approval of the E-RSC. Chairman Suskie said he thought maybe the CBA scope work could begin now without the E-RSC or any FERC tariff filing. Mr. McLaughlin agreed work on the CBA could begin now.

Agenda Item 5 – Draft By-Laws

Chairman Suskie provided draft E-RSC by-laws and stated that voting requirements on policy matters must still be decided. His initial thoughts were that a majority vote (3 of 5) for policy matters and a super-majority (4 of 5) for construction or cost allocation matters. Commissioner Field proposed the idea of a load ratio share voting scheme. Since the states share costs by load ratio share then the votes should be commensurate according to Commissioner Field. Council-woman Midura stated that she will have an issue with this option. Commissioner Anderson likes the idea of a super-majority of votes in order to drive consensus. Chairman Suskie stated that he will circulate the current version of the bylaws to get input.

Agenda Item 6 - Next Steps

SPP Email Exploder – SPP agreed to set-up an Email exploder and communicate its availability to the ICT Stakeholders and Entergy retail regulators so they can sign-up and it will be a place for interested parties to exchange comments on issues being addressed by an E-RSC.

Construction Plan / Cost Allocation – Commissioner Field stated he would like an independent party, the E-RSC, to review these. Consensus confirmed this recommendation.
Transfer of Control – Kim Despeaux said Entergy is supportive of the E-RSC and assumes that no transfer of 205 filing rights will be made. The different control options were discussed:
  - SPP-RSC – shared 205 filing rights with SPP. Both parties could file and let FERC make ultimate decision.
  - MISO – no shared 205 filing rights; Organization of MISO States has 206 rights only.
This issue still needs to be resolved.

Meeting adjourned at 1:29 p.m.