

March 26, 2010

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: ***Southwest Power Pool, Inc., Docket No. ER10-_____***
Submission of Letter Agreement Regarding Comprehensive Seams
Agreement Between Entergy Services, Inc. and the Southwest Power Pool,
Inc.

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 35, Southwest Power Pool, Inc. (“SPP”) hereby submits an executed Letter Agreement Regarding Comprehensive Seams Agreement Between Entergy Services, Inc. (“Entergy”) and SPP (collectively “the Parties”).

I. INTRODUCTION

A. Description of the Parties

SPP is a Commission-approved Regional Transmission Organization (“RTO”). It is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. SPP currently has 56 Members in nine states and serves more than 5 million customers in a 370,000 square-mile area. Its members include 14 investor-owned utilities, 9 municipal systems, 11 generation and transmission cooperatives, 4 state authorities, 5 independent power producers, 10 power marketers, and 3 independent transmission companies. As an RTO, SPP is a transmission provider administering transmission service over portions of Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. SPP also serves as an Independent Coordinator of Transmission (“ICT”) for Entergy.

Entergy is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity. Entergy delivers electricity to 2.7 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy's operating companies have compiled 15,500 miles of transmission lines in an 112,000 square-mile area.

II. DESCRIPTION AND JUSTIFICATION OF THE LETTER AGREEMENT

A. Background

On April 24, 2006, the Commission approved Entergy's proposal to contract with SPP as the ICT for Entergy ("ICT Approval Order").¹ In its response to rehearing requests on the ICT Approval Order, the Commission encouraged Entergy and SPP to negotiate and execute a seams agreement to enhance coordination between the two transmission systems.² Further, in Arkansas Public Service Commission ("APSC") Docket No. 08-136-U, the APSC issued an order on August 18, 2009 that encouraged SPP and Entergy to "aggressively and cooperatively pursue the completion of the desired seams agreement by December 31, 2009" and file monthly progress reports regarding the status of the agreement.³ Finally, on February 11, 2010, the APSC ordered SPP and Entergy to "file a seams agreement reflecting whatever issues have been agreed upon" and to "provide a detailed status report regarding the progress to date on all remaining issues and what needs to be done to complete work on these issues."⁴

B. Letter Agreement

The Parties have negotiated the Letter Agreement to adopt certain procedures and processes that will provide comprehensive coordination between the Entergy and SPP transmission systems. The Letter Agreement provides for the development of four specific protocols: (1) "Coordination Protocol," which is intended to address the coordination of enhanced regional reliability planning activities between the parties and the horizon over which these activities will occur, the coordination of Affected System Study processes for transmission service and generation interconnection requests that impact the other party's

¹ *Entergy Servs., Inc.*, 115 FERC ¶ 61,095 (2006).

² *Entergy Servs., Inc.*, 116 FERC ¶ 61,275, at P 73 ("We continue to encourage Entergy and SPP to remove seams between their transmission systems. . . .").

³ *In re Southwest Power Pool, Inc. and Entergy Corp.*, Docket No. 08-136-U, Order No. 15, at Ordering Para. 1 (Ark. Pub. Serv. Comm'n Aug. 18, 2009).

⁴ *In re Southwest Power Pool, Inc. and Entergy Corp.*, Docket No. 08-136-U, Order No. 22, at 3 (Ark. Pub. Serv. Comm'n Feb. 11, 2010).

transmission system, and coordination regarding the granting of flowgate financial rights on the Entergy and SPP transmission systems; (2) the “AFC/TFC Protocol,” which will address the data exchange and other activities necessary for the coordination of AFC/TFC values between Entergy and SPP; (3) the “CA Protocol,” which will address cost allocation provisions for facilities identified as necessary on the Entergy system to accommodate a transmission service or generation interconnection request on the SPP system, cost allocation provisions for facilities identified as necessary on the SPP system to accommodate a transmission service or generation interconnection request on the Entergy system, and cost allocation provisions for common or optimal solutions identified as a result of the enhanced regional reliability planning activities; and (4) the “Information Protocol” which sets forth provisions governing the exchange of data and the treatment of confidential information and critical energy infrastructure information exchanged under any other attachment to the Letter Agreement. The Letter Agreement also acknowledges, as Exhibit 1, the existence and effectiveness of the Letter Agreement Regarding Inter-regional Planning between Entergy and SPP that was executed on February 6, 2009 and filed by SPP as Rate Schedule No. 11 (“Inter-regional Planning Agreement”).⁵

In this filing, SPP submits the executed Letter Agreement, the Coordination Protocol, and the Information Protocol. SPP and Entergy are still negotiating the terms of the CA and AFC/TFC Protocols, and SPP intends to update and revise Rate Schedule No. 12 after these protocols are finalized. The Letter Agreement with the attached protocols will allow SPP and Entergy to share information and coordinate their processes in a manner that will allow both systems to operate more efficiently. The negotiated terms and conditions contained in these documents reflect the significant progress made by the parties to address seams issues previously identified by the Commission. Longer term, with the finalization of the CA and AFC/TFC Protocols, the quality and availability of transmission services across the Entergy/SPP seam will be further enhanced as the parties develop additional procedures to

⁵ On April 10, 2009, the Commission accepted and suspended the Inter-regional Planning Agreement filed as Rate Schedule No. 11 because the issues involved in the rate schedule were similar to the issues in Entergy’s Attachment K filing (“we find the language of the Principles to be so similar in substance to the language Entergy has proposed in section 13 of Attachment K of its OATT to warrant simultaneous consideration of issues raised by the SPP and Entergy proposals.”) *Southwest Power Pool, Inc.*, 127 FERC ¶ 61,032, at P 19 (2009). On June 18, 2009, the Commission accepted Entergy’s Attachment K filing in Docket No. OA08-59 conditioned upon certain changes. *Entergy Servs., Inc.*, 127 FERC ¶ 61,272 (2009). The changes to Attachment K required SPP to also modify Rate Schedule No. 11. *Id.* at P 64. The required modifications were filed by SPP in Docket No. ER09-659-002 on August 17, 2009, and to date, the Commission has not acted on SPP’s compliance filing. Thus, Exhibit 1 to the Letter Agreement in the instant filing has been removed in order to prevent confusion regarding the effectiveness of Rate Schedule No. 11.

better coordinate operations of their respective systems. For these reasons, the Commission should accept the Letter Agreement for filing.

III. ADDITIONAL INFORMATION

A. Information Required by the Commission's Regulations, 18 C.F.R. § 35.13:

(1) Documents submitted with this filing:

In addition to this transmittal letter, a copy of the Letter Agreement and Principles are attached as Exhibit A.

(2) Effective Date:

SPP requests that the Commission accept the Letter Agreement and attached Principles with an effective date of February 26, 2010.

(3) Service:

SPP has served a copy of this filing on representatives for Entergy. Additionally, SPP has served a copy of this filing on all its Members and Customers and has posted complete copy of this filing on the SPP web site, www.spp.org. SPP has also served a copy on all of the affected state commissions.

(4) Requisite Agreements:

The Letter Agreement and attached Principles constitute the agreement between the Parties. The Letter Agreement is designated as "Southwest Power Pool, FERC Electric Tariff, Rate Schedule No. 12".

(5) Estimate of transactions and revenues:

Not applicable.

(6) Basis of rates:

The bases for the Letter Agreement are explained above.

(7) Comparison to rates for similar services:

Not applicable.

(8) Specifically assignable facilities installed or modified:

There are none.

B. Communications

Correspondence and communications with respect to this filing should be sent to, and SPP requests the Secretary to include on the official service list, the following:

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Manager – Regulatory Policy
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IV. CONCLUSION

For all of the foregoing reasons, SPP respectfully requests that the Commission accept the Letter Agreement.

Respectfully submitted,

Jeffrey W. Price

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**Attorneys for
Southwest Power Pool, Inc.**

EXHIBIT A

February 26, 2010

For Entergy Services, Inc.:

Mark McCulla
Vice President Transmission Regulatory Compliance
Entergy Services, Inc.
639 Loyola Avenue
New Orleans, LA 70161

For Southwest Power Pool, Inc.:

Carl Monroe
VP, Operations and Chief Operating Officer
Southwest Power Pool, Inc.
415 N. McKinley, Suite 140
Little Rock, AR 72205

RE: Comprehensive Seams Agreement Between Entergy Service, Inc. and the Southwest Power Pool, Inc.

This Letter Agreement, including the Attachments as finally agreed to by the parties, reflects a comprehensive seams agreement between Entergy Services, Inc. (“Entergy”) and Southwest Power Pool, Inc. (“SPP”), a regional transmission organization. Attachments to this Letter Agreement are incorporated into this Letter Agreement as if expressly set forth herein and will be as follows:

1. Attachment A: Protocol Governing Coordination of Enhanced Regional Planning Activities, Study Coordination Activities, and Flowgate Financial Rights (“Coordination Protocol”)
2. Attachment B: Protocol Governing Coordination Of AFC/TFC Values (“AFC/TFC Protocol”)
3. Attachment C: Protocol Governing Allocation Of Costs Of Upgrades (“CA Protocol”)
4. Attachment D: Protocol Governing Data Exchange, Confidential Information And Critical Energy Infrastructure Information (“Information Protocol”)

Additional Attachments may be attached to this Letter Agreement when and if developed and executed by the parties. Any Attachments to this Letter Agreement will be considered incorporated into this Letter Agreement when each Attachment is agreed to by the parties as indicated in that Attachment. Each Attachment will become effective in accordance with the terms of that Attachment.

The Coordination Protocol portion of this Letter Agreement sets forth the coordination of enhanced regional reliability planning activities between the parties and the horizon over which these activities will occur, the coordination of Affected System Study processes for transmission service and generation interconnection requests that impact the other party's transmission system, and coordination regarding the granting of flowgate financial rights on the Entergy and SPP transmission systems. The AFC/TFC Protocol portion of this Letter Agreement set forth the data exchange and other activities necessary for the coordination of AFC/TFC values between Entergy and SPP. The CA Protocol set forth cost allocation provisions for facilities identified as necessary on the Entergy system to accommodate a transmission service or generation interconnection request on the SPP system, cost allocation provisions for facilities identified as necessary on the SPP system to accommodate a transmission service or generation interconnection request on the Entergy system, and cost allocation provisions for common or optimal solutions identified as a result of the enhanced regional reliability planning activities performed in accordance with the Coordination Protocol. Finally, the Information Protocol sets forth provisions governing the exchange of data and the treatment of confidential information and critical energy infrastructure information exchanged under any other attachment to the Letter Agreement.

This Letter Agreement shall take effect on the day the last party to do so executes the Letter Agreement and shall continue in effect until either party terminates this Letter Agreement by written notice and obtains authorization, if necessary, to terminate by the Federal Energy Regulatory Commission (the "Commission"). Further, each Attachment shall be effective and implemented as addressed in that Attachment and shall continue in effect until either party terminates the specific Attachment by written notice and obtains authorization, if necessary, to terminate by the Commission.

Upon execution, this Letter Agreement, including the Attachments hereto, state the understanding between the parties as to the specific matters noted and in no way creates additional contractual obligations for either party. The parties to this Letter Agreement have developed it, all Attachments, and any processes associated herewith voluntarily. Nothing in this Letter Agreement or the Attachments hereto will be construed to create any duty to, standard of care with reference to, or any liability to, any person not a party to this Letter Agreement. Additionally, neither party to this Letter Agreement shall construe it or the Attachments as a regulatory or other requirement that would create any duty to, standard of care with reference to, or any liability to the other party. Neither party (including its affiliates and members) shall be liable to the other party for any damages hereunder, including, but not limited to, direct, consequential, special, indirect, treble, exemplary, incidental, or punitive damages.

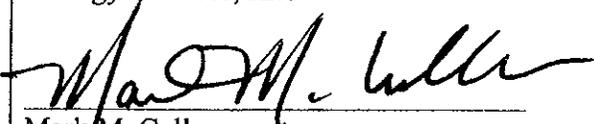
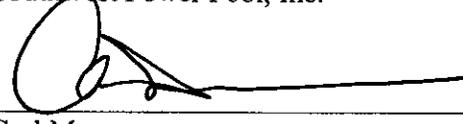
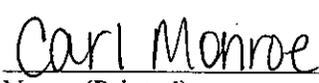
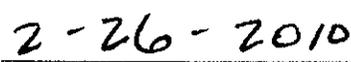
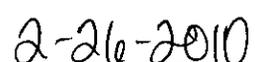
The parties agree to communicate in accordance with the applicable Attachment, when effective. This Letter Agreement and all Attachments (such as the Coordination Protocol, the AFC/TFC Protocol, the CA Protocol, and the Information Protocol) in no way restrict either party from taking the steps needed, in its sole discretion, to protect and preserve the transmission grid and electrical reliability for its respective system.

Neither party makes any representations nor warranties other than those expressly set forth in this Letter Agreement and its Attachments including the Coordination Protocol, the AFC/TFC Protocol, the CA Protocol, and the Information Protocol. This Letter Agreement and its Attachments supersede all prior discussions and, when executed, constitute the entire agreement between the parties with respect to the subject matter hereof with the exception of the Letter Agreement executed between Entergy and SPP on February 6, 2009, which is expressly acknowledged by the parties and is appended hereto as Exhibit 1. It is expressly declared that this Letter Agreement, its Attachments, and the relationship between the parties established hereby do not constitute a partnership, joint venture, agency or contract of employment between the parties.

Each party may disclose publicly the terms of this Letter Agreement. Each party is expressly authorized, at its discretion, to file this Letter Agreement and each Attachment with the Commission, or to amend its Open Access Transmission Tariff ("Tariff") to implement the Letter Agreement and Attachments. In the event of any inconsistency between Entergy's Tariff, this Letter Agreement, and/or any Attachment (the Coordination Protocol, the AFC/TFC Protocol, the CA Protocol, and the Information Protocol), the terms of Entergy's Tariff will apply as to Entergy. In the event of any inconsistency between SPP's Tariff, this Letter Agreement, and/or any Attachment (the Coordination Protocol, the AFC/TFC Protocol, the CA Protocol, and the Information Protocol), the terms of SPP's Tariff will apply as to SPP.

This Letter Agreement may be amended only by written agreement acknowledged by both parties.

The signatures below confirm acceptance of the terms of this Letter Agreement.

Entergy Services, Inc.	Southwest Power Pool, Inc.
	
Mark McCulla	Carl Monroe
	
Name (Printed)	Name (Printed)
VP, Transmission Regulatory Compliance	EVP & COO
Title	Title
	
Date	Date

ATTACHMENT A

**PROTOCOL GOVERNING COORDINATION OF ENHANCED REGIONAL
PLANNING ACTIVITIES, STUDY COORDINATION ACTIVITIES, AND FLOWGATE
FINANCIAL RIGHTS**

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Rules Of Construction

1. Any undefined, capitalized term used in this Protocol that is not defined in the "Definitions" Section shall have the meaning given under industry custom, and, where applicable, in accordance with Good Utility Practice.
2. All activities performed under this Protocol shall be conducted in a manner that meets or exceeds the NERC Reliability Standards, as approved by the FERC, that apply to that Party.
3. Each Party will perform this Protocol with respect to the transmission systems for which the Party serves as the Transmission Provider.
4. The Parties to this Protocol have developed it and any processes associated herewith voluntarily. Nothing in this Protocol will be construed to create any duty to, standard of care with reference to, or any liability to, any person not a party to this Protocol. Additionally, neither Party to this Protocol shall construe it nor any obligation described hereunder as a regulatory or other requirement that would create any duty to, standard of care with reference to, or any liability to the other Party.

Definitions

1. "Critical Energy Infrastructure Information" shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that: (1) relates details about the production, generation, transmission, or distribution of energy; (2) could be useful to a person planning an attack on critical infrastructure; (3) is exempt from mandatory disclosure under the Freedom of Information Act; and (4) gives strategic information beyond the location of the critical infrastructure.
2. "Confidential Information" shall mean: (a) all data and information, whether furnished before or after the execution of this Protocol, whether oral, written, or recorded/electronic, and regardless of the manner in which it is furnished, that is marked "Confidential" or "Proprietary" or which, under all of the circumstances, should be treated as confidential or proprietary; (b) any data or information deemed confidential under some other form of confidentiality agreement or tariff that is provided to a Party; (c) all reports, summaries, compilations, analyses, notes, or any other data or information of a Party hereto which are based on, contain, or reflect any Confidential Information; and (e) any data and information which, if disclosed by a transmission function employee of a utility regulated by FERC to a market function employee of the same utility system, other than by public posting, would violate FERC's Standards of Conduct set forth in 18 C.F.R. Part 358. The Parties agree that Confidential Information constitutes

- commercially sensitive and proprietary trade secret information. Confidential Information includes, but is not limited to, (i) customer-specific information regarding: load forecasts, billing determinants, scheduling and reservation data, power purchases, and contracts; (ii) generator-specific information regarding: unit commitment and dispatch levels, generator cost data, heat rates, outage and maintenance schedules, operating restrictions, ramp rates, and automatic generation control capability and ranges; and (iii) system information regarding: avoided costs and system incremental costs.
3. "Entergy" shall mean Entergy Services, Inc.
 4. "FERC" shall mean the Federal Energy Regulatory Commission or any successor agency thereto.
 5. "Flowgate" shall, when applied to the Parties to this Protocol, have the meaning ascribed to it in the respective Party's Attachment C to the respective Party's OATT or, in the event that it is not defined in a Party's Attachment C, it shall have the definition ascribed to it in the "Glossary Of Terms Used In Reliability Standards" published by NERC.
 6. "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
 7. "Governmental Authority" shall mean any federal, state, regional, local, or foreign court, tribunal, government, governmental agency, military, governmental or regulatory body or authority over the transmission and/or generation facilities of a Party or the Parties.
 8. "ICT" shall refer to the functional responsibility of SPP to serve as the Independent Coordinator of Transmission for the Entergy transmission system.
 9. "Longer-Term Planning Horizon" shall have the same meaning as utilized by the North American Electric Reliability Corporation in the TPL standards TPL-001.01 through TPL-004-0.
 10. "Near-Term Planning Horizon" shall have the same meaning as utilized by the North American Electric Reliability Corporation in the TPL standards TPL-001.01 through TPL-004-0.
 11. "NERC" shall mean the North American Electric Reliability Corporation or any successor organization thereto in its role as the Electric Reliability Organization.
 12. "Open Access Transmission Tariff" ("OATT") shall mean an electronic transmission tariff accepted by the U.S. Federal Energy Regulatory Commission requiring the

Transmission Service Provider to furnish to all shippers with non-discriminating service comparable to that provided by Transmission Owners to themselves.

13. "Party" or "Parties" are Entergy and SPP.
14. "Regional Planning Process" is the planning process conducted on a regional basis between the Parties in accordance with Attachment K to the Entergy OATT and the Letter Agreement executed between Entergy and SPP on February 6, 2009.
15. "SPP" shall mean Southwest Power Pool, Inc.
16. "Transmission Provider" (or, equivalently, "Transmission Service Provider") shall mean the entity that administers an OATT and provides transmission service to transmission customers under applicable transmission service agreements.
17. "TSA" shall mean a transmission service agreement under the applicable Party's OATT

Role Of The ICT

1. SPP is Entergy's ICT in accordance with the FERC's April 24, 2006 Order in Entergy Services, Inc., 115 FERC ¶ 61,095 (2006).
2. The ICT shall participate in the processes under this Protocol in a manner consistent with Attachments D, K, S and W, and other applicable provisions of Entergy's OATT.
 - a. Entergy and SPP acknowledge that, where necessary, the modification to or development of processes, procedures, business practices, and communications protocols may be to processes, procedures, business practices, and communications protocols developed and implemented by the ICT in accordance with the Commission's April 24, 2006 Order in Entergy Services, Inc., 115 FERC ¶ 61,095 (2006), other applicable orders of Governmental Authorities, and Entergy's OATT.
3. To the extent that the ICT is charged with performing an action, providing data, or providing other information under this Protocol, the Parties recognize that the performance of any such action, or the provision of such data or information, are in satisfaction of a requirement or obligation of Entergy. The Parties further recognize that to the extent that the ICT performs such an action or provides such data or information required of Entergy or on behalf of Entergy under this Protocol, the requirement or obligation of Entergy shall be deemed satisfied.

Enhanced Regional Reliability Coordination Activities

1. Enhanced regional reliability planning activities developed by Entergy and SPP beyond those activities that are included in the Regional Planning Process shall address the Near-Term Planning Horizon currently utilized by SPP in its SPP Transmission Expansion Plan process and by Entergy in its Construction Plan process and as required in the NERC standards, TPL-001 through TPL-004 or their successor standards.

2. The purpose of this coordination shall be the optimization of the SPP Transmission Expansion Plan and the Entergy Construction Plan through the processes identified in this Section 2.
 - a. The enhanced regional reliability planning activities will consist of:
 - i. Enhanced coordination of reliability assessment models utilized for regional reliability planning through better alignment of models for the Near-Term Planning Horizon.
 1. With respect to Entergy reliability assessment models, Entergy will incorporate any modeling updates for the SPP system since SPP's last Eastern Interconnection Reliability Assessment Group update. These updates shall include:
 - a. SPP topology changes
 - b. Transmission service that has been confirmed on the SPP system
 - c. Generation Interconnection service that has been confirmed on the SPP system
 - d. Revised loads and generation dispatch included in SPP models
 - e. Projects with Notifications to Construct issued by SPP to its members and other SPP member-committed projects.
 2. With respect to SPP reliability assessment models, SPP will incorporate any modeling updates for the Entergy system since Entergy's last SERC Reliability Corporation update. These updates shall include:
 - a. Entergy topology changes
 - b. Transmission service that has been confirmed on the Entergy system
 - c. Generation Interconnection service that has been confirmed on the Entergy system
 - d. Revised loads and generation dispatch included in Entergy models
 - e. Projects within the approved three-year Construction Plan that has been committed by Entergy.
 3. Better alignment of assessment years for the Near-Term Planning Horizon.
 - ii. Coordination of assumptions for contingency scans including:
 1. Monitored and contingency elements in each area
 2. First-tier "MON" and "CON" elements
 3. Transmission Operating Directives / Operating Guides
 4. Local Area Planning issues.
 - iii. Development of common or optimal solutions for interrelated transmission system reliability impacts.
 1. Any common or optimal solutions identified that both Parties agree to construct shall be incorporated into the SPP Transmission Expansion Plan and the Entergy Construction Plan.

- a. Such common or optimal solutions shall be incorporated into models utilized by each party for the evaluation of transmission service requests in accordance with the provisions of two (2) and three (3) of the section entitled “Coordination of Transmission Service Request and Interconnection Request Study Processes” below.
3. Entergy and SPP agree to further evaluate the feasibility of developing enhanced regional reliability planning coordination activities for the Longer-Term Planning Horizon that are comparable to the enhanced regional reliability planning coordination activities set forth in Section 2 above for the Near-Term Planning Horizon.
4. Each Party shall modify their existing processes, procedures, business practices, and OATTs and/or develop new processes, procedures, business practices, and communications protocols as necessary to fulfill its obligations to enhance regional reliability coordination activities in accordance with this Protocol.
5. Each Party shall notify the other Party should it initiate the filing of an OATT modification that impacts its ability to fulfill its obligations under this Protocol.
 - a. Each Party shall notify the other Party if it receives a FERC order, response, or decision, whether in response to the filing of an OATT modification or through another process, that impacts its ability to fulfill its obligations under this Protocol.

Coordination of Transmission Service Request and Interconnection Request Study Processes

1. Each Party shall continue to use its established methodology for evaluating long-term transmission service requests and generation interconnection requests along with associated data and information, by which it evaluates requests for and grants access to long-term transmission service (one (1) year or more) and requests for generation interconnection to its transmission system, but shall further coordinate the evaluation of long-term transmission service requests and generation interconnection requests that impact the other Party's system as follows:
 - a. For long-term transmission service on the Entergy transmission system that impacts a flowgate(s) on SPP's transmission system, the ICT shall tender to the customer both (1) a Facilities Study Agreement between Entergy and the customer and (2) an Affected System Study Agreement between SPP and the customer. Such agreements shall be tendered when the System Impact Study performed for evaluation of a transmission service request identifies a limiting element on the SPP transmission system.
 - i. Any subsequent negotiations of the Affected System Study Agreement shall be between SPP and the customer.

- ii. Where the customer executes both the Facilities Study Agreement and the Affected System Study Agreement tendered by the ICT, (a) SPP shall perform an Affected System Study evaluating 115 kV and higher facilities for the first tier SPP transmission system to Entergy and (b) Entergy shall perform a Facilities Study evaluating 115 kV and higher facilities in the Entergy footprint. All studies performed shall be in accordance with each party's respective OATT.
 - 1. SPP's performance of the Affected System Study shall be completed through an evaluation process that is distinct from SPP's aggregate study processes, with the report made available to the customer, by the 60th day after execution of the Affected System Study Agreement by the customer.
 - iii. SPP shall provide a copy of its Affected System Study Report to Entergy at the same time such study report is made available to the customer.
 - iv. When the Facilities and Affected System Studies are completed, in accordance with their OATTs, Entergy shall tender to the customer a TSA and, to the extent that facilities are identified as necessary on SPP's system to accommodate the service requested on the Entergy system, SPP shall tender (to Entergy's customer) a bilateral agreement addressing any necessary upgrades on the SPP system and for related flowgate financial rights.
- b. For long-term transmission service on the SPP transmission system that impacts a flowgate(s) on Entergy's transmission system, SPP shall notify the ICT when it identifies a limiting element within the Entergy footprint.
- i. Once Letters of Intent have been received by SPP from SPP transmission customers, SPP shall notify the ICT, which shall tender an Affected System Study Agreement to SPP or to the SPP customer.
 - ii. When SPP or the SPP customer executes the Affected System Study Agreement, the ICT will perform an Affected System Study in accordance with the Entergy OATT and will post on Entergy's OASIS the Affected System Study Report by the 60th day after execution of the Affected System Study Agreement.
 - 1. The ICT will provide a copy of its Affected System Study Report to SPP at the same time such study is made available to the customer to the extent that these entities are distinct.
 - 2. The ICT shall then provide the estimated costs of facilities needed to resolve the congestion on the limiting element to SPP for inclusion in its Aggregate Facilities Study Report.
 - iii. When the Facilities and Affected System Studies are completed, in accordance with their OATTs, SPP shall tender to the customer a TSA

and, to the extent that facilities are identified as necessary on Entergy's system to accommodate the service requested on the SPP system, Entergy shall tender (to SPP's customer) a bilateral agreement addressing any necessary upgrades on the Entergy system and for related flowgate financial rights.

1. Where SPP has executed the Affected System Study Agreement, Entergy and SPP may execute the bilateral agreement for flowgate financial rights.
- c. For generation interconnection requests on the Entergy transmission system that impact a flowgate(s) on SPP's transmission system, the ICT shall tender to the customer both (1) a Facilities Study Agreement between Entergy and the customer and (2) an Affected System Study Agreement between SPP and the customer. Such agreements shall be tendered when the System Impact Study performed for evaluation of a generation interconnection request identifies a limiting element on the SPP transmission system.
- i. Any subsequent negotiations of the Affected System Study Agreement shall be between SPP and the customer.
 - ii. Where the customer executes both the Facilities Study Agreement and the Affected System Study Agreement tendered by the ICT, (a) SPP shall perform an Affected System Study in accordance with its OATT and (b) Entergy shall perform a Facilities Study in accordance with its OATT.
 1. SPP's performance of the Affected System Study shall be completed through an evaluation process that is distinct from SPP's aggregate study processes, with the report made available to the customer, by the 60th day after execution of the Affected System Study Agreement by the customer.
 - iii. SPP shall provide a copy of its Affected System Study Report to Entergy at the same time such study report is made available to the customer.
 - iv. When the Facilities and Affected System Studies are completed, in accordance with their OATTs, Entergy shall tender to the customer a TSA and, to the extent that facilities are identified as necessary on SPP's system to accommodate the generation interconnection requested on the Entergy system, SPP shall tender (to Entergy's customer) a bilateral agreement addressing any necessary upgrades on the SPP system and for related flowgate financial rights.
- d. For generation interconnection requests on the SPP transmission system that impact a flowgate(s) on Entergy's transmission system, SPP shall notify the ICT when it identifies a limiting element within the Entergy footprint.
- i. SPP shall notify the ICT, which shall tender an Affected System Study

Agreement to SPP or to the SPP customer.

- ii. When the customer executes the Affected System Study Agreement, the ICT will post the Affected System Study Report on Entergy's OASIS by the 60th day after execution of the Affected System Study Agreement.
 1. The ICT will provide a copy of its Affected System Study Report to SPP at the same time such study is made available to the customer to the extent that these entities are distinct.
 2. The ICT shall then provide the estimated costs of facilities needed to resolve the congestion on the limiting element to SPP for inclusion in its Generation Interconnection Cluster System Impact Study Report.
 - iii. When the Generation Interconnection Cluster System Impact Study and Affected System Studies are completed, in accordance with their OATTs, SPP shall tender to the customer a Generation Interconnection Agreement and, to the extent that facilities are identified as necessary on Entergy's system to accommodate the generation interconnection requested on the SPP system, Entergy shall tender (to SPP's customer) a bilateral agreement addressing any necessary upgrades on the Entergy system and for related flowgate financial rights.
2. When facilities are identified as necessary on the SPP system to accommodate a generation interconnection request or a long-term transmission service request on the Entergy system, Entergy shall not incorporate such facilities into the models it utilizes for the evaluation of transmission service requests until those facilities are in-service on the SPP system, have received Notification to Construct on the SPP system, or are other SPP member-committed projects.
 3. When facilities are identified as necessary on the Entergy system to accommodate a generation interconnection request or a long-term transmission service request on the SPP system, SPP shall not incorporate such facilities into the models it utilizes for the evaluation of transmission service requests until those facilities are in-service on the Entergy system.
 4. Each Party shall modify its existing processes, procedures, business practices, and OATT as necessary to fulfill its obligations to coordinate evaluations of transmission service requests and generator interconnection requests in accordance with this Protocol.
 5. Each Party shall notify the other Party should it initiate the filing of an OATT modification that impacts its ability to fulfill its obligations under this Protocol.
 - a. Each Party shall notify the other Party if it receives a FERC Order, response, or decision, whether in response to the filing of an OATT modification or through another process, that impacts its ability to fulfill its obligations under this Protocol.
 6. Each Party shall, as necessary, develop new processes, procedures, business practices, and

communications protocols to fulfill its obligations related to transmission and generation interconnection services under this Protocol.

Granting Of Flowgate Financial Rights to SPP

1. Where Entergy and SPP have executed a bilateral agreement for flowgate financial rights, SPP may receive the flowgate financial rights and may allocate those flowgate financial rights governed by that agreement to its customers in accordance with its OATT.

Data Exchange and Coordination Limitations

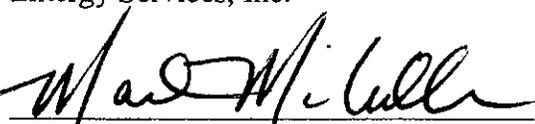
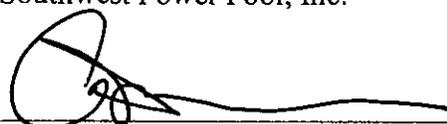
1. All data and information exchanged hereunder shall be governed by the "Protocol Governing Confidential Information and Critical Energy Infrastructure Information," appended to the February 26 2010 Letter Agreement between the Parties.

Dispute Resolution and Liability

1. The Parties shall attempt in good faith to achieve consensus with respect to all matters arising under this Protocol and to use reasonable efforts through good faith discussion and negotiation to avoid and resolve disputes that could delay or impede a Party from receiving the benefits of this Protocol.
2. Neither Party (including its affiliates and members) shall be liable to the other Party for any damages hereunder, including, but not limited to, direct, consequential, special, indirect, treble, exemplary, incidental, or punitive damages.
3. The failure of a party to insist, on any occasion, upon strict performance of any provision of this Article will not be considered a waiver of any right held by such party. Any waiver on any specific occasion by either party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Article.

Effective Date and Implementation Period

1. Effective Date: This Protocol shall be effective on 2-26-2010.

Entergy Services, Inc.  Mark McCulla, VP., Trans Regulatory Compliance	Southwest Power Pool, Inc.  Carl Monroe, EVP & COO
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2. Implementation Period: Commencing with the Effective Date, the Parties shall commence and continue efforts to implement the provisions of this Protocol, which dates shall, subject to obtaining any necessary regulatory approvals, be the earliest dates reasonably feasible for the Parties but which are not to be later than six (6) months from the Effective Date.

ATTACHMENT B

PROTOCOL GOVERNING COORDINATION OF AFC/TFC VALUES

ATTACHMENT C

PROTOCOL GOVERNING ALLOCATION OF COSTS OF UPGRADES

ATTACHMENT D

**PROTOCOL GOVERNING DATA EXCHANGE, CONFIDENTIAL INFORMATION,
AND CRITICAL ENERGY INFRASTRUCTURE INFORMATION**

**PROTOCOL GOVERNING DATA EXCHANGE, CONFIDENTIAL INFORMATION,
AND CRITICAL ENERGY INFRASTRUCTURE INFORMATION**

Rules Of Construction

1. Any undefined, capitalized term used in this Protocol that is not defined in the "Definitions" Section shall have the meaning given under industry custom, and, where applicable, in accordance with Good Utility Practice.
2. This Protocol is applicable to all data and/or information exchanged under the Letter Agreement (including attachments) to which it is attached.
3. Each Party will perform this Protocol with respect to the transmission systems for which the Party serves as the Transmission Provider.
4. The Parties to this Protocol have developed it and any processes associated herewith voluntarily. Nothing in this Protocol will be construed to create any duty to, standard of care with reference to, or any liability to, any person not a party to this Protocol. Additionally, neither Party to this Protocol shall construe it nor any obligation described hereunder as a regulatory or other requirement that would create any duty to, standard of care with reference to, or any liability to the other Party.

Definitions

1. "Critical Energy Infrastructure Information" shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (physical or virtual) that: (1) relates details about the production, generation, transmission, or distribution of energy; (2) could be useful to a person planning an attack on critical infrastructure; (3) is exempt from mandatory disclosure under the Freedom of Information Act; and (4) gives strategic information beyond the location of the critical infrastructure.
2. "Confidential Information" shall mean: (a) all data and information, whether furnished before or after the execution of this Protocol, whether oral, written, or recorded/electronic, and regardless of the manner in which it is furnished, that is marked "Confidential" or "Proprietary" or which, under all of the circumstances, should be treated as confidential or proprietary; (b) any data or information deemed confidential under some other form of confidentiality agreement or tariff that is provided to a Party; (c) all reports, summaries, compilations, analyses, notes, or any other data or information of a Party hereto which are based on, contain, or reflect any Confidential Information; and (e) any data and information which, if disclosed by a transmission function employee of a utility regulated by FERC to a market function employee of the same utility system, other than by public posting, would violate FERC's Standards of Conduct set forth in 18 C.F.R. Part 358. The Parties agree that Confidential Information constitutes commercially sensitive and proprietary trade secret information. Confidential Information includes, but is not limited to, (i) customer-specific information regarding:

- load forecasts, billing determinants, scheduling and reservation data, power purchases, and contracts; (ii) generator-specific information regarding: unit commitment and dispatch levels, generator cost data, heat rates, outage and maintenance schedules, operating restrictions, ramp rates, and automatic generation control capability and ranges; and (iii) system information regarding: avoided costs and system incremental costs.
3. "Entergy" shall mean Entergy Services, Inc.
 4. "FERC" shall mean the Federal Energy Regulatory Commission or any successor agency thereto.
 5. "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
 6. "Governmental Authority" shall mean any federal, state, regional, local, or foreign court, tribunal, government, governmental agency, military, governmental or regulatory body or authority over the transmission and/or generation facilities of a Party or the Parties.
 7. "ICT" refers to the functional responsibility of SPP to serve as the Independent Coordinator of Transmission for the Entergy transmission system.
 8. "Open Access Transmission Tariff" ("OATT") shall mean an electronic transmission tariff accepted by the U.S. Federal Energy Regulatory Commission requiring the Transmission Service Provider to furnish to all shippers with non-discriminating service comparable to that provided by Transmission Owners to themselves.
 9. "Party" or "Parties" are Entergy and SPP.
 10. "SPP" shall mean Southwest Power Pool, Inc.
 11. "Transmission Provider" (or, equivalently, "Transmission Service Provider") shall mean the entity that administers an OATT and provides transmission service to transmission customers under applicable transmission service agreements.

Role Of The ICT

1. SPP is Entergy's ICT in accordance with the FERC's April 24, 2006 Order in Entergy Services, Inc., 115 FERC ¶ 61,095 (2006).
2. The ICT shall participate in the processes under this Protocol in a manner consistent with Attachments D, K, S and W, and other applicable provisions of Entergy's OATT.

- a. Entergy and SPP acknowledge that, where necessary, the modification to or development of processes, procedures, business practices, and communications protocols may be to processes, procedures, business practices, and communications protocols developed and implemented by the ICT in accordance with the Commission's April 24, 2006 Order in Entergy Services, Inc., 115 FERC ¶ 61,095 (2006), other applicable orders of Governmental Authorities, and Entergy's OATT.
3. To the extent that the ICT is charged with performing an action, providing data, or providing other information under this Protocol, the Parties recognize that the performance of any such action, or the provision of such data or information, are in satisfaction of a requirement or obligation of Entergy. The Parties further recognize that to the extent that the ICT performs such an action or provides such data or information required of Entergy or on behalf of Entergy under this Protocol, the requirement or obligation of Entergy shall be deemed satisfied..

Data Exchange and Coordination

1. Notwithstanding any other term or condition herein or any term or condition in any protocol attached to the Letter Agreement, neither Party shall be required to (i) provide, exchange, or coordinate information or data that it does not possess or have access to; (ii) develop data it does not already produce in the normal course of business; or (iii) modify data that it does produce in the normal course of business. In addition, neither Party shall be required to provide, exchange, or coordinate information or data to the extent that such coordination or disclosure of data or information would be a violation of or inconsistent with either Party's OATT, any other agreement, or applicable state or federal regulation or law.
2. Any data or information exchanged in accordance with the provisions of any Protocol attached to the Letter Agreement is subject to the confidentiality and CEII provisions contained herein.

Confidential Information and CEII

1. Except as may be required by subpoena or other compulsory process, or applicable regulatory requirement, neither Party nor the ICT shall disclose Confidential Information to any person or entity without the prior written consent of the Party that initially supplied the Confidential Information. The handling of any commercially sensitive economic data also will conform to rules and practices set forth by the SPP Economic Modeling and Methods Task Force (EMMTF) or the SPP Economic Studies Working Group (ESWG) and Entergy.
 - a. To the extent possible, data considered Confidential Information or CEII will be redacted prior to public review or posting and will not be subject to review or posting by the general public, e.g., posting on the public portion of either Party's Open Access Same-Time Information System.

2. In addition, each Party shall ensure that its employees, its agents, its subcontractors, and its subcontractors' employees and agents to whom Confidential Information is given or exposed, agree to be bound by the terms and conditions contained herein. Each Party shall be liable for any breach of this Protocol by its employees, its agents, its subcontractors, and its subcontractors' employees and agents.
3. The obligation of confidentiality shall not extend to data and information that, at no fault of a recipient Party, is or was: (a) in the public domain or generally available or known to the public; (b) disclosed to a recipient by a non-Party who had a legal right to do so; (c) independently developed by a Party or known to such Party prior to its disclosure hereunder; or (d) required to be disclosed by subpoena, law, or other directive of a Governmental Authority.
4. Except as may be required by subpoena or other compulsory process, information designated as CEII shall be made available to a Party in accordance with the applicable provisions of the supplying Party's OATT.
5. Upon receipt of a subpoena or other compulsory process for the disclosure of Confidential Information or CEII, or upon becoming aware of a regulatory requirement to disclose confidential information or CEII, the Party receiving such subpoena or other compulsory process or required to disclose such information shall promptly notify the Party that initially supplied the applicable data, shall furnish all reasonable assistance requested by the supplying Party to prevent disclosure, and shall not release the data until the supplying Party provides written consent or until the supplying Party's legal options are exhausted. Upon request from a Governmental Authority for Confidential Information or CEII, such consent may not be unreasonably withheld if the Governmental Authority agrees to maintain confidentiality with a protective order or other procedure(s) of the agency for protecting Confidential Information or CEII.
6. Each Party shall protect Confidential Information and CEII from disclosure, dissemination, or publication. Regardless of whether a Party is subject to the jurisdiction of the FERC under the Federal Power Act, and regardless of whether a Party is a Regional Transmission Organization, each Party agrees to restrict access to all Confidential Information and/or CEII to only those persons authorized to view such information: (a) by the FERC's Standards of Conduct, 18 C.F.R. Part 358 or, if more restrictive, (b) by such Party's board resolutions, OATT provisions, or other internal policies governing access to, and the sharing of, energy market or transmission system information.
7. All Confidential Information and CEII provided by the supplying Party shall be returned to the supplying Party promptly upon request. Upon termination or expiration of this Protocol, a Party shall use reasonable efforts to destroy, erase, delete, or return to the supplying Party any and all written or electronic Confidential Information and CEII. In no event after termination of the effectiveness of the applicable provisions of this Protocol or a request from the supplying party for the return of Confidential Information shall a receiving Party retain copies of any Confidential Information or CEII provided by a supplying Party.

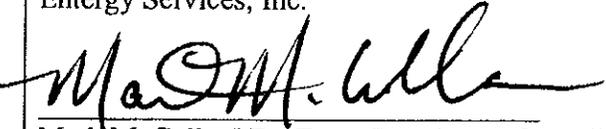
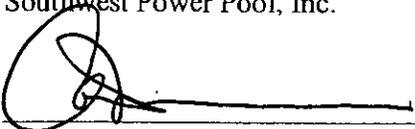
8. Each Party acknowledges that remedies at law are inadequate to protect against breach of the covenants and agreements in this Protocol, and hereby in advance agrees, without prejudice to any rights to judicial relief that it may otherwise have, to the granting of equitable relief, including injunction, in the supplying Party's favor without proof of actual damages. In addition to the equitable relief referred to in this Protocol, a supplying Party shall only be entitled to recover from a receiving Party any and all gains wrongfully acquired, directly or indirectly, from a receiving Party's unauthorized disclosure of Confidential Information or CEII.

Dispute Resolution and Liability

1. The Parties shall attempt in good faith to achieve consensus with respect to all matters arising under this Protocol and to use reasonable efforts through good faith discussion and negotiation to avoid and resolve disputes that could delay or impede a Party from receiving the benefits of this Protocol.
2. Neither Party (including its affiliates and members) shall be liable to the other Party for any damages hereunder, including, but not limited to, direct, consequential, special, indirect, treble, exemplary, incidental, or punitive damages.
3. The failure of a party to insist, on any occasion, upon strict performance of any provision of this Article will not be considered a waiver of any right held by such party. Any waiver on any specific occasion by either party shall not be deemed a continuing waiver of such right, nor shall it be deemed a waiver of any other right under this Protocol.

Effective Date and Implementation Period

1. Effective Date: This Protocol shall be effective on 2-26-2010.

<p>Entergy Services, Inc.</p>  <p>Mark McCulla, VP., Trans Regulatory Compliance</p>	<p>Southwest Power Pool, Inc.</p>  <p>Carl Monroe, EVP & COO</p>
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