COMMENTS OF ENTERGY SERVICES, INC.
REGARDING NAESB'S PROPOSAL TO ADOPT
FERC'S CURRENT BUSINESS PRACTICES

Entergy Services, Inc. supports NAESB's proposal to adopt the current OASIS Business Practice Standards and Communication Protocol Standards mandated by FERC Order Nos. 638 and 889. Entergy would like to emphasize, however, that NAESB's adoption of the FERC standards should not limit the flexibility already provided in therein. For example, Standard 2.1.5 defines the Fixed Yearly Service as the service starts at 00:00 on the first date of a calendar year and ends at 24:00 on the last date of the same calendar year (00:00 of the first date of the next consecutive year), and standard 2.1.9 defines a Sliding Yearly service as the service starts at 00:00 of any date and stops at 00:00 on the same date of the following year. Standard 2.1, though, also provides that transmission providers may post different service periods and values, as an alternative to the Fixed and Sliding service options in standards 2.15 and 2.19. When Entergy evaluated these options, it found the Fixed Yearly Service defined in standard 2.1.5 very restrictive as it has to start on January 1 and has to end on December 31st. Entergy also found that the Sliding Yearly service is difficult to manage and set up the scheduling and billing systems for part of the month because it can start on any day. Therefore, consistent with standard 2.1, Entergy offers a version of Fixed Yearly service, which may start at 00:00 on the first date of any calendar month and end at 00:00 on the first date of the same month during the next year or any year thereafter. This provides flexibility to transmission customers and allows transmission providers to tailor scheduling and billing systems appropriately.

Additionally, Entergy believes that NAESB should view the FERC standards as only a starting point for the discussion of appropriate business practices for the electric industry. NAESB should remain open to appropriately supported modifications to the FERC standards, provided that such modifications are consistent with good utility practice and the reliable operation of bulk power electric system. Although the FERC standards are a good place to start the debate over uniform business practices, they should not be the final word. For example, while Section 4.4 and Table 4-3 provides process for competing bids, the process is confusing and needs clarification. The competing bid process should not be interpreted to allow transmission customers to reserve capacity, without ever confirming the service and without ever paying for the service. In particular, lengthy confirmation periods can result in pre-empting other transmission customers from using the valuable Constrained Resources. Another example involves the treatment of ancillary services. Although ancillary services as defined in Standards 2.5.1 – 2.5.6 are required to be offered and are posted on OASIS, it is often not possible to post the full details regarding these services under the templates that are approved by FERC. Additionally, if a transmission customer provides optional ancillary services (Schedule 3 – Schedule 6), the business practices do not establish an explicit process for making sure that they are in fact capable of providing these services. Lack of such process can result in compromising the reliability of the transmission network. These examples demonstrate that the FERC standards are a starting point for creating effective uniform business practices, but not should be considered immutable. NAESB should consider revisions to the FERC standards, provided that those revisions are appropriately supported and are consistent with good utility practice and reliability.