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Appendix A
Glossary
for
Fall 2004
Request for Proposals (RFP)
for
Supply-Side Resources

Entergy Services, Inc.

~~October 22, 2004~~

February 22, 2005

GLOSSARY

“Accepted Electrical Practices” means those 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 and in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety and expedition. Accepted Electrical Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather to those practices, methods and acts generally accepted or approved by a significant portion of the electric utility industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

“Actual Capacity Availability” means the maximum Capacity actually available from the generating resource.

“Affiliate” means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the direct or indirect ownership or control of, or the possession, directly or indirectly, of the power to vote, five percent (5%) or more of the outstanding voting securities of such Person, or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

“Affiliate Rules and Codes of Conduct” or “Codes of Conduct” means rules and regulations promulgated by federal, state and local regulatory agencies to address interactions between a utility and its affiliates engaged in competitive markets; settlement agreements between an Entergy Operating Company and a regulatory agency to address such interactions; and FERC-ordered standards of conduct to address interactions between ESI’s transmission function and ESI’s wholesale merchant functions.

“AFC” or “Available Flowgate Capacity” means the amount of transfer capability over a flowgate that remains available for additional transmission service reservations above and beyond existing uses of the Entergy transmission system.

“AGC” or “Automatic Generation Control” means a generating resource under automatic dispatch from the System control center.

“Amite South” means the region of Louisiana south of the Amite Substation that is serviced by one or more of the Entergy Operating Companies and other utilities.

“Availability” means the number of hours that the specified Capacity of a generating resource is actually available divided by the total hours in a set time period, usually a year.

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“Availability Requirement” means the minimum required Availability of the generating resource, measured on an hourly basis and regardless of whether or not dispatched.

“Bidder” means any Person, that submits (or, prior to the applicable due date, intends or expects to submit) a proposal or Bidder Registration Form in response to this RFP, or any group of Persons having a pre-existing contractual relationship, such as co-owners of a facility, that submit jointly (or, prior to the due date, intend or expect to submit jointly) a proposal or Bidder Registration Form based on such pre-existing contractual relationship in response to this RFP. A group of Persons also may be a Bidder when a proposal has been developed jointly pursuant to the procedures set forth in Section 2.9 of the RFP.

“Bidder ID” or “Bidder Identification Number” means the unique Bidder identification number assigned to Bidder during the Bidder Registration Process. The Bidder ID will include the letter “B” followed by two numeric characters (*e.g.*, B12), and is further described in Section 1.4 of Appendix D to this Fall 2004 RFP.

“Bidder Registration Form” means a Bidder Registration Form in the form attached as Appendix B that Bidders are required to submit in order to participate in this RFP.

“Bidders’ Conference” means the meeting to be held on or about November 16, 2004, as discussed in Section 2.3 of this RFP.

“Btu” means British thermal unit, the quantity of heat required to raise one pound of water one degree Fahrenheit at or near its point of maximum density.

“Buyer” means one or more of the Entergy Operating Companies (whether acting on its own behalf or through ESI as its agent) acting in its capacity as buyer with respect to a particular Transaction.

“Call Option” means an Option entitling the Option Buyer to purchase and receive Capacity, and entitling but not obligating the Buyer to purchase and receive energy and Other Associated Electric Products from the Option Seller for the Delivery Period for which the Option may be exercised, all as specified in the Transaction.

“Candidate Proposal” means proposals selected by the Proposal Evaluation Team to undergo a deliverability evaluation.

“Capacity” means the megawatt output level that the generating resource, or the components of equipment thereof, is capable, as of a given moment, of continuously producing and making available at the Delivery Point, taking into account the operating condition of the equipment at that time, the auxiliary loads, and other relevant factors.

“Capacity Payment” means the price payable by the Buyer to the Seller for Capacity expressed in \$/kW for a certain period during the term of the Definitive Agreement.

“Capacity Quantity” means the amount of Capacity of a rated generating resource or Contract Capacity, expressed in megawatts.

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“CCGT” means combined cycle gas turbine.

“Central” means that certain area of southern Arkansas, northern Louisiana and western Mississippi serviced by one or more of the Entergy Operating Companies and the other utilities.

“Codes of Conduct” see “Affiliate Rules and Codes of Conduct.”

“Commercial Operation Date” means the date after the test period on which the generating resource became (or will become) commercially operational and began (or will begin) generating and delivering power on a reliable basis.

“Contract Capacity” means the total Capacity Quantity from a generating resource expressed in MW agreed to be provided by the Seller pursuant to a Definitive Agreement with the Buyer.

“Control Area” means an electric power system or combination of electric power systems to which a common AGC scheme is applied in order to: (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s); (2) maintain scheduled interchange with other such electric power system or combination of electric power systems, within the limits of Good Utility Practices; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practices; and (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practices.

“Control Area Operator” means the Person(s) in control of the physical operation of and responsible for fulfilling the duties necessary to operate a Control Area as described above.

“CPT” means the local time in New Orleans, Louisiana.

“Credit Factor Evaluator” means member(s) of the Proposal Evaluation Team responsible for analyzing potential credit issues associated with each proposal. The Credit Factor Evaluator will not include any employees of the Transmission Business Unit.

“Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard & Poor’s Ratings Group (a division of McGraw Hill, Inc.) or its successor or Moody’s Investor Services, Inc. or its successor.

“CT” means simple cycle combustion turbine.

“Daily Energy Dispatch Notice” means the notice given by the Buyer to the Seller to dispatch the applicable generating resource by providing a forecasted schedule of energy delivery for the following business day.

“Day” or “day” means a period of twenty four (24) consecutive hours, beginning at 12:01 a.m., local time, at the Delivery Point; provided, however, that on the Day on which Central Daylight Time becomes effective, the period shall be twenty-three (23) consecutive hours, and on the Day

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on which Central Standard Time becomes effective, the period shall be twenty-five (25) consecutive hours; provided, however, if FERC or any other Governmental Authority having jurisdiction should modify the beginning time for a day, the beginning and ending time for a Day shall be revised to correspond to the time established by FERC or such Governmental Authority, as the case may be.

“Definitive Agreement” means a legally binding agreement setting forth the terms and conditions and other provisions relating to a Transaction, signed by an authorized representative of each of the Buyer and the Seller, but does not include an executed letter of intent or any other preliminary written agreement; nor does it include any written or oral acceptance of any offer or proposal.

“Deliverability Evaluation” means the process performed by Entergy’s System Planning and Operations Department’s personnel, detailed in Section 4 of this Fall 2004 RFP, to identify and characterize transmission issues that could materially impact the expected total delivered cost of a resource over the term of its availability to the System, and to assess whether cost impacts associated with potential transmission issues could materially limit ESI’s ability to realize the expected reliability and/or cost benefits of the proposed generation resource.

“Delivery Point” means the point at which deliveries of capacity and energy under a Definitive Agreement are required to be made and shall be measured which, for any generating resource located inside the Entergy System’s Control Area, shall be the Interconnection Point, and, for any generating resource located outside of Entergy System’s Control Area, shall be a delivery point on the Interface.

“Delivery Term” means the total period of time during which the product is to be delivered by the Seller to the Buyer as further defined for each product in the Appendices of this RFP.

“Entergy Competitive Affiliate” means any Affiliate of Entergy Corporation, other than ESI, EOI, any of the Entergy Operating Companies or SERI.

“Entergy Operating Committee” means the administrative organization established pursuant to the Entergy System Agreement dated January 1, 2000, consisting of members designated by the chief executive officers of the Entergy Operating Companies and by the chief executive officer of Entergy Corporation. The duties of the Entergy Operating Committee include, but are not limited, to the following: the day-to-day administration of the Entergy System Agreement and any amendments thereto; the decisions on the installation of generation, bulk power transmission, communication, and other facilities necessary for the supply of capacity and energy to the Entergy System; promulgating standards that may be required for the safe and reliable operation of the Entergy System; and determining and generally supervising communications, interchange and AGC, metering, economic dispatch and relaying facilities necessary for the purpose of the Entergy System Agreement.

| “Entergy Operating Companies” or “Operating Companies” means Entergy Arkansas, Inc., Entergy Louisiana, Inc., Entergy Gulf States, Inc., Entergy Mississippi, Inc., and Entergy New Orleans, Inc.

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“Entergy System” or “System” means the interconnected, coordinated, electric utility systems of the Entergy Operating Companies that provide retail electric service to their customers.

“Entergy System Agreement” means that certain System Agreement dated as of January 1, 1994, by and among ESI and the Entergy Operating Companies, as amended from time to time.

“EOI” means Entergy Operations, Inc.

“Equivalent Force Majeure Hours” means (i) the product of (a) Capacity unavailable or limited because of a Force Majeure event, expressed in MW, and (b) the period for which such Capacity is unavailable or limited, expressed in hours (or any portion thereof) (ii) divided by the Capacity of the affected generating resource.

“Equivalent Planned Maintenance Hours” means (i) the product of (a) Capacity unavailable or limited due to Planned Maintenance, expressed in MW, and (b) the period of such Planned Maintenance, expressed in hours (or any portion thereof), (ii) divided by the Capacity of the affected generating resource.

“Factor Evaluator” means the person or person performing certain of the evaluations described in Appendix E-1 of this RFP.

“Fall 2002 RFP” means ESI’s Fall 2002 Request for Proposals for Supply-Side Resources, dated October 31, 2002, and posted as of such date on the RFP Website.

“Fall 2003 RFP” means ESI’s Fall 2003 Request for Proposals for Supply-Side Resources, dated November 10, 2003, and posted as of such date on the RFP Website.

“FERC” means the Federal Energy Regulatory Commission, or any successor agency.

“Fixed Cost Charge” means charges that may include capital investment such as equipment, overhead, property taxes or any cost included in the cost of service that does not tend to fluctuate with the amount of energy produced.

“Fixed Energy Price” means a price which is exact and specified in a proposal for the energy to be delivered, expressed in \$/MWh.

“Fixed Guaranteed Heat Rate” means the Heat Rate commitment made by the Bidder in its proposal that will apply to all levels of dispatch and is not necessarily the actual Heat Rate of the generating resource.

“Fixed Start-Up Payment” means for each generating resource, the non-fuel charge for Starts, as specified in the product packages.

“Force Majeure” shall have the meaning set forth in the applicable Model Contract or Definitive Agreement relating to a particular product, as the context requires.

“Fuel Factor Evaluator” means member(s) of the Proposal Evaluation Team responsible for estimating ESI’s delivery cost for fuel with respect to proposals in the category of the MUCPA. The statements contained in this RFP are made subject to the Reservation of Rights set forth in this RFP and subject to the terms and acknowledgements set forth in the Proposal Submission Agreement.

Product. The Fuel Factor Evaluator will not include any employees of the Transmission Business Unit.

“Gas Tolling Agreement” means an arrangement whereby natural gas is converted to electric energy in return for a pre-established tolling charge.

“Good Utility Practices” means 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 Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others, but rather to mean acceptable practices, methods, or acts generally accepted in the region.

“Heat Rate” means, in respect of a generating resource, the ratio of the actual quantity of fuel consumed (Btus) to the actual net output of electric energy (kW) as measured in any period.

“Hourly and Daily Swing Capabilities” means the fluctuation of gas supply on an hourly basis between the nomination of gas to be delivered or drawn from the gas pipeline system.

“Independent Monitor” or “IM” means an independent, nationally-recognized, economics and policy consulting firm, which consultant (including consultant’s staff), who has assisted and will continue to assist in the development of, and will monitor, the RFP solicitation, evaluation and selection processes to seek to ensure that the RFP and evaluation process will be objective and impartial.

“Interconnection Point” means the point at which two systems or Control Areas meet or intersect, where power can flow from one system to another, or the delivery point at which facilities interconnect a generating resource to transmission within a Control Area or system, as the context requires.

“Interface” means the border of the Entergy System which contains Interconnection Points, where energy can be delivered to the Entergy System, if the applicable generating resource is located outside the Entergy System.

“Into Entergy” shall have the meaning set forth in Attachment I to the form of WSPP Confirmation that is part of Appendix C, Product Package E.

“January 2003 Supplemental RFP” means ESI’s 2003 Supplemental Request for Proposals for Supply-Side Resources, dated January 17, 2003, and posted as of such date on the RFP Website.

“kWh” means the basic unit for pricing electric energy, equal to one kilowatt of power supplied continuously for one hour (or the amount of electricity needed to light ten 100-watt light bulbs for one hour). One kWh equals 1,000 watt-hours. One kWh = 3.306 cu ft of natural gas.

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“LD Product” means firm Capacity and energy delivered into Entergy with liquidated damages scheduled 5x16, 7x16 or 7x8 on a must-take basis (found in Appendix C, Product Package E).

“LOI” means a letter of intent.

“LPSC” means the Louisiana Public Service Commission or its successor agency.

“Model Contracts” means any of the proposed forms of a power purchase and sale agreement, capacity sale and tolling agreement, or any other agreement or letter of intent providing for a Transaction, furnished by ESI to potential Bidders.

“Month” or “month” means the period beginning at 12:01 a.m., local time, on the first Day of each calendar month and ending at the same hour on the first Day of the next succeeding calendar month

“MUCCO Product” means a call option product provided by unit contingent capacity and the associated energy (all found in Appendix C, Product Packages A, B, and C).

“MUCPA Product” means a dispatchable MUCPA product (found in Appendix C, Product Package D).

“MW” means megawatts, a unit of electrical power equal to one million watts or one thousand kilowatts.

“MWh” means megawatt hour, a unit of electrical energy equal to one MW delivered for one hour.

“NERC” means the North American Electric Reliability Council, or its successor agency.

“Network Integration Transmission Service” means the transmission service provided under Part III of TBU’s transmission tariff.

“Northern Arkansas” or “North” means that certain area of northern Arkansas serviced by one or more of the Entergy Operating Companies and other utilities.

“O&M” means operations and maintenance.

“OASIS” means Open Access Same-Time Information System, required by FERC to be the only source of information on electric transmission capacity availability. The OASIS website is <http://oasis.e-terrasolutions.com/OASIS/EES>.

“OATT” means Open Access Transmission Tariff.

“Off-Peak” means those hours or other periods defined in a contract, 8 hours per day (HE 0100 CPT to HE 0600 CPT and HE2300 to HE 2400).

“On-Peak” means those hours or other periods defined in a contract, 16 hours per day (HE 0700 CPT to HE 2200 CPT).

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“Operating Committee” see “Entergy Operating Committee.”

“Option” means the right but not the obligation to purchase or sell Capacity, energy and Other Associated Electric Products as specified in a Transaction.

~~“Other Associated Electric Products” or “other associated electric products” means all of the services and products associated with capabilities or other operational attributes or regulatory treatment of a generating resource, including, but not limited to, the capability to provide ancillary services, reserves, operational functions (e.g., black start capability), and receipt or allocation of emissions allowances.~~

“Other Associated Electric Products” or “other associated electric products” means all of the capabilities and products associated with the Contract Capacity and energy which Buyer is entitled to under the applicable Definitive Agreement, as it specifically relates to Buyer’s ability to utilize the Contract Capacity and/or energy in accordance with the Scheduling and Dispatch rights as detailed in the applicable Definitive Agreement to provide load following, reserves or other similar products.

“Person” means any individual, Governmental Authority, corporation, limited liability company, partnership, limited partnership, trust, association or other entity.

“Planned Maintenance” means the removal of a generating resource from service to perform work on specific components that is scheduled well in advance and has a predetermined duration.

“Plant ID” or “Plant Identification Number” means the unique resource identification number assigned to Bidder for each generating plant Bidder registered during the Bidder Registration Process. The Plant ID will include the letter “R” followed by three numeric characters (e.g., R345), and is further described in Section 1.4 of Appendix D to this Fall 2004 RFP.

“Point(s) of Delivery” means point(s) on TBU’s transmission system where Capacity and energy transmitted by TBU will be made available to Buyer under Part II of TBU’s transmission tariff. The Point(s) of Delivery shall be specified in the agreement for transmission service.

“Point(s) of Receipt” means point(s) of interconnection on TBU’s transmission system where Capacity and energy will be made available to TBU by Seller under Part II of TBU’s transmission tariff. The Point(s) of Receipt shall be specified in the agreement for transmission service.

“Point-To-Point Transmission Service” means transmission service under TBU’s transmission tariff that is reserved and/or scheduled between specified Points of Receipt and Points of Delivery pursuant to Part II of TBU’s transmission tariff.

“Proposal Evaluation Team” means the group of individuals who, individually or collectively, are responsible for evaluating specific components of the proposals submitted in response to the RFP. The Proposal Evaluation Team will consist primarily of members of ESI’s System

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Planning and Operations Department. The Proposal Evaluation Team will not include any employees of the Transmission Business Unit.

“Proposal Submission Form” means a Proposal Submission Form in the form attached as Appendix C that Bidders are required to submit in order to submit a proposal in this RFP.

“Regulatory Approvals” means the review and acceptance of the contractual provisions governing a product or Transaction by all regulatory agencies having jurisdiction to approve the Transaction or rate recovery of the costs and/or investment associated with the Transaction or any other matter pertaining to the Transaction.

“RFP” means either this Fall 2004 Request for Proposals for Supply-Side Resources or another Request for Proposal issued by ESI, as the context may require.

“RFP Lead Team” means the group of individuals who, individually or collectively, are responsible for reviewing summary analysis and recommendations relating to proposals submitted in response to the RFP. The RFP Lead Team will consist primarily of members of ESI’s System Planning and Operations Department. The RFP Lead Team will not include any employees of the Transmission Business Unit.

“RFP Submission Email Address” means ESIRFP@entergy.com.

“RFP Website” means the internet website <https://emo-web.no.entergy.com/ENTRFP/index.htm>.

“Rolling 12 Month Period” means, as of the end of any Month, the period from and including the first Month in the twelve (12) consecutive Months during the Delivery Term ending with such Month to and including such Month, provided, however, that any Month not within the Delivery Term shall be disregarded, and for the first Contract Year such period shall be based on the actual number of Months elapsed during the Delivery Term.

“RTO” means a regional transmission organization which is based on the FERC proposal to establish regional groups to expedite the coordination of wholesale wheeling, or any successor organizations. The RTO is voluntary in each region and may include transmission system owners, wholesale purchasers, and independent power generators.

“Schedule” or “Scheduling” means the actions of the Seller, Buyer and/or their designated representatives, including each party’s transmission providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of product to be delivered on any given day during the term of the Definitive Agreement at a specified Delivery Point.

“Seller” means a Bidder or other Person that enters into a Definitive Agreement with Buyer pursuant to this RFP process.

“SERI” means System Energy Resources, Inc.

“Signature ID” or “Signature Identification Number” means the unique electronic signature identification number assigned to Bidder. The Signature ID will include the letter “S” followed

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by four numeric characters (e.g., S3456), and is further described in Section 1.4 of Appendix D to this Fall 2004 RFP.

“Spring 2003 RFP” means ESI’s Spring 2003 Request for Proposals for Supply-Side Resources, dated April 18, 2003, and posted as of such date on the RFP Website.

“Start” means the action of actually bringing one or more generating units from a shutdown to synchronization at its minimum load and the unconditional release of such unit(s) for ramping to, and the attainment of, the Scheduled Capacity level.

“Summer Capacity Season” means, for any given year, the months of April, May, June, July, August and September.

“Summer Dependable Capacity” means capacity rating based on ambient conditions of 92° Fahrenheit and 56% relative humidity.

“Summer Maintenance Period” means for any given year within the term of a contract, the months of May through September.

“Summer Season” means, for any given year, the months of June, July and August.

“System Impact Study” means an assessment by the Transmission Business Unit of (i) the adequacy of Entergy’s transmission system to accommodate a request for either firm Point- To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service

“Transaction” means a commercial transaction or series of transactions in which a Seller provides to Buyer electric capacity and/or an energy supply resource, arising or resulting from this RFP process, and structured as a purchase and sale of electric capacity, energy and Other Associated Electric Products, a Gas Tolling Agreement, a purchase and sale of generating facilities, or a similar exchange or series of exchanges.

“Transmission Business Unit” or “TBU” means the ESI organization that plans, constructs, and operates the interconnected transmission system owned by the Entergy Operating Companies or any successor entity.

“Transmission Factor Evaluator” means member(s) of the Proposal Evaluation Team responsible for the Deliverability Evaluation and related transmission analyses. The Transmission Factor Evaluator is employed by the Transmission Engineering Services group in ESI’s System Planning and Operations Department, and performs the evaluation using best publicly available data without discussion and/or review from the Transmission Business Unit staff or outside consultant. The Transmission Factor Evaluator will not include any employees of the Transmission Business Unit.

“VOM” means variable operations and maintenance.

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“Winter Capacity Season” means, for any given year, the months of October, November, December, January, February and March.

“Winter Dependable Capacity” means capacity rating based on ambient conditions of 68° Fahrenheit and 74% relative humidity.

“Winter Maintenance Period” means for any given year within the term of a contract, the months of December, January and February.

“Winter Season” means, for any given year, the months of December, January and February.

“WOTAB” means the region in southwestern Louisiana and southeastern Texas that is west of the Atchafalaya Basin and that is serviced by one or more of the Entergy Operating Companies and other utilities.

“WSPP” means the Western Systems Power Pool organization.

“WSPP Model Contract” means collectively, the latest version of the WSPP Agreement that is posted on the WSPP’s Website (www.wspp.org) together with the form of WSPP Model Confirmation that is posted on the RFP Website.

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