

Distribution of Operational Penalties for Late Studies

In Order No. 890, the Federal Energy Regulatory Commission (FERC) required transmission providers to develop a mechanism for distributing penalties for failure to meet study deadlines as defined per sections 19.3, 19.4, 32.3, and 32.4 of the Tariff. Penalty refunds will be calculated and distributed to transmission customers eligible for the refunds on an annual basis on or before the deadline for submitting FERC Form-1. A transmission customer eligible for the refunds is any customer not affiliated with Entergy having a valid transmission service agreement that is in effect on the last day of the calendar year in which a late study penalty is assessed for:

- Firm point-to-point transmission service (short-term, long-term)
- Non-firm point-to-point transmission service
- Network integration transmission service

The total dollar value of study penalties incurred by Entergy during the calendar year will be divided by the count of customers eligible for refunds in the calendar year and distributed equally to those transmission customers.

Study penalties that are the subject of a notification filing by Entergy seeking to have FERC waive the study penalties will be excluded from the penalty refund calculations and adjusted for in a subsequent calendar year depending upon the date of resolution (including any judicial appeals).