

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 49.1

Schedule Sheet 1 of 7
Including Attachments

Replacing: Original Sheet No. 49.1

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-152-U
Order No.: 15
Effective: 10/1/08

Part III. Rate Schedule No. 49

Title: Capacity Acquisition Rider (CA)

PSC File Mark Only

49.0 CAPACITY ACQUISITION RIDER

49.1 REGULATORY AUTHORITY

The Arkansas Legislature has delegated authority to the Arkansas Public Service Commission ("APSC" or the "Commission") to regulate public utilities in the State of Arkansas, including Entergy Arkansas, Inc. ("EAI" or the "Company"). The APSC's regulatory authority over the provision of electric service applies not only in the Distribution Service area allocated to EAI by the APSC but also extends to service to customers who have been released to EAI by other electric distribution utilities, when such release for service has been approved by the Commission pursuant to Rule 7.04.(b) of the Commission's Rules of Practice and Procedure. Similarly, the Tennessee Regulatory Authority exercises such authority delegated to it by the Tennessee Legislature in areas of the State of Tennessee served by EAI.

49.2 PURPOSE

The purpose of this Capacity Acquisition Rider ("Rider CA") is to recover, from EAI's retail customers, changes in costs associated with the Ouachita Plant Interim Tolling Agreement ("ITA"), the EAI-acquired capacity costs, along with the reserve equalization effects, if any, associated with the acquired capability and purchased capacity as approved by the APSC in Docket No. 06-152-U. Rider CA shall apply in accordance with the provisions of § 49.3 below to electric service billed under certain rate schedules, whether metered or unmetered. Rider CA is effective with the first billing cycle for the February 2008 billing month.

| (AT)

| (DT)

49.3 CAPACITY RATES

The capacity acquisition rates ("Capacity Rates") shall be set forth in Attachment A to this Rider CA.

49.4 ANNUAL DETERMINATION

The "Interim Tolling Agreement (ITA) Period" shall be the period from the first billing cycle for the February 2008 billing month until one month after the termination of the ITA or one month after closing on the purchase of the EAI-acquired capacity ("Closing Date"). During the ITA Period the Capacity Rates, as set out in Attachment A, shall be based on the annualized non-fuel cost of the ITA approved by the APSC in Docket No. 06-152-U and determined by application of the formula ("Capacity Rate Formula") set out in Attachment B to this Rider CA. If the ITA does not terminate during 2008 the Company shall file on or around each December 1st, until the termination of the ITA, an updated calculation of the Capacity Rates, as set out in Attachment A recognizing the then current annualized non-fuel cost of the ITA approved by the APSC in Docket No. 06-152-U and determined by application of the Capacity Rate Formula set out in Attachment B to this Rider CA.

| (AT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 49.2

Schedule Sheet 2 of 7
Including Attachments

Replacing: Original Sheet No. 49.2

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-152-U
Order No.: 15
Effective: 10/1/08

Part III. Rate Schedule No. 49

Title: Capacity Acquisition Rider (CA)

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The "Initial Post Acquisition Period" shall be the period from the Closing Date until July 31 following the Closing Date. During the Initial Post Acquisition Period the Capacity Rates, as set out in Attachment A, shall be based on the estimated annual non-fuel revenue requirement of the EAI-acquired capacity approved by the APSC in Docket No. 06-152-U and determined by application of the Capacity Rate Formula set out in Attachment B to this Rider CA.

(AT)

The "Post Acquisition Period" shall be the period beginning with the August billing month following the Initial Post Acquisition Period and extend as long as the Company maintains ownership in the EAI-acquired capacity. During the Post Acquisition Period, on or about May 1 of each year following the Initial Post Acquisition Period, the Company shall file re-determined Capacity Rates with the Commission. The Capacity Rates, as set out in Attachment A, shall be determined by application of the Capacity Rate Formula set out in Attachment B to this Rider CA. The rate base and expenses shall be based on the calendar year immediately preceding the filing ("Test Year"), and reflecting an annual level of cost, and shall be calculated in accordance with the formula set out in Attachment B to this Rider CA. The Capacity Rates so determined shall be effective for bills rendered on and after the first billing cycle for the August billing month of that year and shall remain in effect until updated.

(AT)

A True-up Adjustment shall be calculated only for the Initial Post Acquisition Period and the first year of the Post Acquisition Period. This True-up Adjustment shall be reflected in the following year's Rider CA calculation. The True-up Adjustment shall be defined as the difference between the prior year actual revenue requirement for the Ouachita Plant as calculated via this Rider CA and the prior year estimated revenue requirement for the Ouachita Plant as calculated via Rider CA.

(AT)

Capacity Rates shall be filed by the Company in Docket No. 06-152-U and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the redetermined Capacity Rates including any potential True-up Adjustment.

(AT)

49.5 STAFF AND COMMISSION REVIEW

Staff shall review the filed Capacity Rates to verify that the formula in Attachment B has been correctly applied and shall notify the Company of any necessary corrections. After the Staff completes its review of the rate calculation, the Company shall make appropriate changes to correct undisputed errors identified by the Staff in its review. Any disputed issues arising out of the Staff review are to be resolved by the Commission after notice and hearing. During the ITA Period the Capacity Rates shall go into effect, upon Commission approval, with the first billing cycle of the following February. During the Initial Post Acquisition Period the Capacity Rates shall go into effect, upon Commission approval, with the first cycle of the billing month following closing. During the Post Acquisition Period the Capacity Rates shall go into effect, upon Commission approval, with the first billing cycle of August.

(AT)

ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 49.3

Schedule Sheet 3 of 7
Including Attachments

Replacing: Original Sheet No. 49.3

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 06-152-U
Order No.: 15
Effective: 10/1/08

Part III. Rate Schedule No. 49

Title: Capacity Acquisition Rider (CA)

PSC File Mark Only

49.6 TERM

This Rider CA shall remain in effect until terminated in accordance with applicable regulations or laws. | (CT)

If this Rider CA is terminated by a future order of the Commission, the Capacity Rates shall continue to be in effect until such costs are recovered through another mechanism or until the implementation of new base rates reflecting such costs. | (AT)

Rider CA Rates

All retail rates and applicable riders on file with the APSC will be increased or decreased by the percentage listed below, except those specifically excluded below:

Rate Class	Rate Schedules	Applicable Percentage	
Residential	RS, RT, REMT	-0.4397%	(AT, CR)
Small General Service	SGS, GFS, TSS, MP, AP, CGS, CTV, SMWHR	-0.5284%	(CT, CR)
Large General Service	LGS, LPS, GST, PST, SSR	-0.7656%	(CR)
Lighting	L1, L1SH, L4	-0.1431%	(CR)

Excluded Schedules: Additional Facilities Charge Rider ("AFCR")
 Charges Related to Customer Activity ("CAC")
 Small Cogeneration Rider ("SCR")
 Large Cogeneration Rider ("LCR")
 ANO Decommissioning Cost Rider ("NDCR")
 Energy Cost Recovery Rider ("ECR")
 Municipal Franchise Tax Adjustment Rider ("MFA")
 Grand Gulf Rider ("GGR")
 Experimental Market Valued Energy Reduction Service Rider ("MVER")
 Experimental Energy Reduction Service Rider ("EER")
 Production Cost Allocation Rider ("PCA")
 Energy Efficiency Cost Recovery Rider ("EECR")
 Federal Litigation Consulting Fee Rider ("FLCF")

(RT)

**Entergy Arkansas, Inc.
 Capacity Rate Formula
 Post Acquisition Period**

Class Allocation & Rate Development						
Line No.	Class	Class Allocator (1)	Total Rider CA Revenue Reqmt (\$) (2)	Base Rate Revenue (\$) (3)	Applicable Percent (4)	
EAI Retail						
1	Residential	40.1903%	(1,879,056)	427,329,108	-0.4397%	(CR)
2	Small General Service	22.9617%	(1,073,551)	203,176,580	-0.5284%	(CR)
3	Large General Service	36.1949%	(1,692,255)	221,033,315	-0.7656%	(CR)
4	Lighting	0.6531%	(30,535)	21,336,175	-0.1431%	(CR)
5	Total EAI Retail	100.0000%	(4,675,397)	872,875,178		

Notes:

- (1) Most recently approved Rate Class Production Demand Allocation Factor
- (2) Attachment B, Page 2, Line 23 * Class Allocator
- (3) The Base Rate Revenue for year ending December 31, 2009
- (4) Class Capacity Revenue Requirement / Class Base Rate Revenue

**Entergy Arkansas, Inc.
Capacity Revenue Requirement
Arkansas Retail Jurisdiction (A)
Post Acquisition Period**

Line No.	Description	Amount (\$)
	I. Purchased Power Capacity Costs	
1	Interim Tolling Agreement (B)	0
	II. Acquired Capacity Costs (C)	
	Rate Base (D)	
2	Inventory	0
3	Land	0
4	Plant in Service (original cost plus upgrades) (E)	0
5	Accumulated Depreciation & Amortization (E)	0
6	Total Rate Base (Line 2 + Line 3 + Line 4 - Line 5)	0
7	Before-Tax Rate of Return on Rate Base (F)	7.61%
8	Return on Rate Base (Line 6 * Line 7)	0
	Expenses/(Revenues)	
9	Operation & Maintenance Expense (G)	0
10	Long Term Service Agreement Expense (H)	0
11	Depreciation & Amortization Expense (purchase price plus upgrades)	0
12	Total Expenses (Lines 9 + Line 10 + Line 11)	0
13	Total Acquired Capacity Costs (Line 8 + Line 12)	0
	III. Reserve Equalization Effect	
14	Reserve Equalization (Expense/Revenue) (I)	0
15	Total Capacity Costs (Line 1 + Line 13 - Line 14)	0
16	Bad Debt Rate (J)	0.3707%
17	Forfeited Discount Rate (K)	0.4679%
18	Total Capacity Revenue Requirement (Line 15 * (1 + Line 16 - Line 17))	0
	True-up Adjustment (L)	
19	Prior Year Estimated Rider CA Revenue Requirement	17,599,621
20	Prior Year Actual Rider CA Revenue Requirement	12,931,942
21	Current Year True-up Adjustment (Line 20 - Line 19)	(4,667,679)
22	1/12 of 2009 Rider CA Rate Reduction (M)	(7,718)
23	Total Rider CA Revenue Requirement (Line 18 + Line 21 + Line 22)	(4,675,397)

Notes:

- (A) All costs reflect the Retail portion only
- (B) Contract capacity costs associated with Interim Tolling Agreement for that test year
- (C) Capacity costs associated with acquired capacity as approved by APSC
- (D) Rate Base values based on average year balances
- (E) In accordance with FERC Order in Docket No. EC08-19-000
- (F) Before Tax RORB most recently approved by the APSC.
- (G) Including, but not limited to, electric usage at the plant, property tax and franchise tax
- (H) Long Term Service Agreement charged to Account 553 associated with the Ouachita Plant and assigned to the Company's Retail customers
- (I) Estimated Reserve Equalization (MSS-1) impact on retail associated with the acquired capacity
 $[(MW * \text{retail split}) - (MW * \text{EAI responsibility ratio})] * \text{cost rate } \$/MW * 12$
 (MW is total capability recognizing seasonal ratings per MSS-1)
 (Cost rate reflects the relative long or short position of EAI under MSS-1)
 (EAI responsibility ratio and cost rate per most recent MSS-1 calculation)
- (J) The Retail Bad Debt Rate from Docket No. 06-101-U
- (K) The Retail Forfeited Discount Rate from Docket No. 06-101-U
- (L) True-up Adjustment to be calculated for those periods using estimated costs (Initial Post Acquisition Period and first year of Post Acquisition Period)
- (M) See Section III of the Testimony of Myra L. Talkington in APSC Docket 09-084-U.