

Entergy Services, Inc.  
Balance Sheet  
As of December 31, 2002  
(\$ 000's)

Ln	Item	Account	Amount
	Assets and Other Debits		
1	Utility Plant	101-106, 114	3,469,270
2	Construction Work in Progress	107	<u>63,058</u>
3	Total Utility Plant		3,532,328
4	(Less) Accum. Prov. For Depr. Amort. Depl.	108, 111, 115	<u>1,384,380</u>
5	Net Utility Plant		<u>2,147,948</u>
6	Plant Materials and Operating Supplies	154	5,356
7	Prepayments	165	<u>3,309</u>
8	Total Current Assets		<u>8,665</u>
9			
10	Total Assets and Other Debits		<u><u>2,156,613</u></u>
	Liabilities and Other Credits		
11	Total Proprietary Capital	201-217	841,412
12	Total Long Term Debt	221-226	1,030,889
13	Accumulated Deferred Income Taxes	281-283	<u>284,313</u>
14	Total Liab and Other Credits		<u><u>2,156,613</u></u>

Entergy Services, Inc.  
Statement of Income  
For the Test Year Ended December 31, 2002  
(\$ 000's)

LINE NO.	TITLE OF ACCOUNT	Amount
1	<u>UTILITY OPERATING INCOME</u>	
2	Operating Revenues (400)	508,288
3	Operating Expenses	
4	Operation Expenses (401)	79,411
5	Maintenance Expenses (402)	44,655
6	Depreciation Expense (403)	71,847
7	Amort. & Depl. of Utility Plant (404-405)	12,783
8	Taxes Other Than Income Taxes (408.1)	48,274
9	Income Taxes - (409.1)	65,545
10	Provision For Deferred Inc. Taxes (410.1)	10,794
11	Investment Tax Credit Adj. - Net (411.4)	<u>(1,453)</u>
12	Total Utility Operating Expenses	<u>331,856</u>
13	Net Utility Operating Income	<u>176,432</u>
14		
15	<u>Interest Charges</u>	
16	Interest on Long-Term Debt (427)	0
17	Amortization of Debt Discount and Expense (428)	0
18	Amortization of Loss on Reacquired Debt (428.1)	0
19	(Less) Amortization of Premium on Debt - Credit (429)	0
20	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	0
21	Interest on Debt to Associated Companies (430)	0
22	Other Interest Expense (431)	76,687
23	(Less) Allowance for Borrowed Funds Used During Const. - Cr. (432)	<u>0</u>
24	Net Interest Charges	<u>76,687</u>
25	Net Income	<u><u>99,745</u></u>

**ENTERGY SERVICES, INC.  
RETAINED EARNINGS STATEMENT  
PROJECTED AS OF DECEMBER 31, 2002**

LINE

1 N/A

Entergy Services, Inc.  
Cost of Plant  
For the 13 Months Ended December 31, 2002  
(\$ 000's)

Ln	Date	Intangible	Transmission	General	Total
1	Dec-01	27,413	3,044,601	55,919	3,127,933
2	Jan-02	83,360	3,063,277	72,840	3,219,476
3	Feb-02	86,006	3,072,568	74,085	3,232,660
4	Mar-02	88,670	3,083,607	75,354	3,247,631
5	Apr-02	91,369	3,095,634	76,623	3,263,626
6	May-02	94,068	3,107,996	77,902	3,279,967
7	Jun-02	96,803	3,127,492	79,298	3,303,593
8	Jul-02	99,537	3,142,846	80,545	3,322,928
9	Aug-02	102,271	3,160,538	81,892	3,344,701
10	Sep-02	104,988	3,186,835	83,366	3,375,189
11	Oct-02	107,670	3,210,639	84,826	3,403,135
12	Nov-02	110,298	3,232,543	86,288	3,429,130
13	Dec-02	112,910	3,247,023	87,654	3,447,586
14	Avg	92,720	3,136,585	78,199	3,307,504

Entergy Services, Inc.  
Accumulated Depreciation and Amortization  
For the 13 Months Ended December 31, 2002  
(\$ 000's)

Ln	Date	Intangible	Transmission <sup>1</sup>	General	Total
1	Dec-01	7,926	1,289,574	19,137	1,316,637
2	Jan-02	8,820	1,294,037	19,622	1,322,478
3	Feb-02	9,725	1,298,638	20,110	1,328,472
4	Mar-02	10,658	1,303,102	20,605	1,334,365
5	Apr-02	11,627	1,307,514	21,108	1,340,249
6	May-02	12,633	1,311,915	21,618	1,346,166
7	Jun-02	13,675	1,315,463	22,136	1,351,275
8	Jul-02	14,755	1,319,655	22,596	1,357,006
9	Aug-02	15,872	1,323,652	23,130	1,362,654
10	Sep-02	17,026	1,326,848	23,673	1,367,547
11	Oct-02	18,217	1,330,296	24,225	1,372,739
12	Nov-02	19,445	1,333,935	24,788	1,378,168
13	Dec-02	20,709	1,338,311	25,360	1,384,380
14	Avg	13,930	1,314,842	22,162	1,350,934

<sup>1</sup> Includes Accumulated Provision for Depreciation on Plant Held for Future Use of \$285,000.

Entergy Services, Inc.  
Specific Deferred Credits  
For the 13 Months Ended December 31, 2002  
(\$ 000's)

Ln	Date	Accumulated Deferred Income Tax		
		Federal	State	Total
1	Dec-01	239,525	33,994	273,519
2	Jan-02	240,094	34,344	274,438
3	Feb-02	240,662	34,694	275,356
4	Mar-02	241,226	35,044	276,270
5	Apr-02	241,787	35,393	277,179
6	May-02	242,344	35,741	278,085
7	Jun-02	242,897	36,089	278,987
8	Jul-02	243,448	36,437	279,884
9	Aug-02	243,994	36,784	280,778
10	Sep-02	244,537	37,130	281,667
11	Oct-02	245,077	37,476	282,553
12	Nov-02	245,613	37,821	283,435
13	Dec-02	246,146	38,166	284,313
14	Avg	242,873	36,086	278,959

Entergy Services, Inc.  
Specific Plant Accounts (Other Than Plant in Service)  
For the 13 Months Ended December 31, 2002  
(\$ 000's)

<u>Ln</u>	<u>Date</u>	<u>Plant Held for Future Use</u>
1	Dec-01	21,683
2	Jan-02	21,683
3	Feb-02	21,683
4	Mar-02	21,683
5	Apr-02	21,683
6	May-02	21,683
7	Jun-02	21,683
8	Jul-02	21,683
9	Aug-02	21,683
10	Sep-02	21,683
11	Oct-02	21,683
12	Nov-02	21,683
13	Dec-02	21,683
14	Avg	21,683

Entergy Services, Inc.  
Electric Operation and Maintenance  
Expenses by Function  
For the Twelve Months Ended December 31, 2002  
(\$ 000's)

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1	Production	0
2	Transmission	78,797
3	Distribution	0
4	Customer Accounts	0
5	Customer Services	0
6	Sales Expense	0
7	Administrative & General	45,269
8	TOTAL	<u>124,066</u>

Entergy Services, Inc.  
Electric Operation and Maintenance  
For the Twelve Months Ended December 31, 2002  
(\$ 000's)

LINE NO.	FERC ACCOUNT	DESCRIPTION	TOTAL
1		<u>TRANSMISSION EXPENSES</u>	
2		Operation	
3	560	Operation Supervision & Engineering	4,609
4	561	Load Dispatching	13,822
5	562	Station Expenses	803
6	563	Overhead Lines Expenses	184
7	564	Underground Lines Expenses	0
8	565	Transmission of Electricity by Others	0
9	566	Miscellaneous Transmission Expenses	5,127
10	567	Rents	11,532
11		Total Operation	<u>36,075</u>
12		Maintenance	
13	568	Maintenance Supervision & Engineering	16,901
14	569	Maintenance of Structures	24
15	570	Maintenance of Station Equipment	10,979
16	571	Maintenance of Overhead Lines	13,470
17	572	Maintenance of Underground Lines	0
18	573	Maintenance of Miscellaneous Transmission Plant	1,347
19		Total Maintenance	<u>42,722</u>
20		Total Transmission Expenses	<u>78,797</u>
21		<u>ADMINISTRATIVE AND GENERAL EXPENSES</u>	
22		Operation	
23	920	Administrative and General Salaries	10,016
24	921	Office Supplies and Expenses	1,660
25	922	Less Administrative Expenses	0
26	923	Outside Services Employed	5,504
27	924	Property Insurance	2,369
28	925	Injuries and Damages	159
29	926	Employee Pensions and Benefits	9,232
30	927	Franchise Requirements	0
31	928	Regulatory Commission Expenses	2,178
32	929	Less Duplicate Charges	0
33	930.1	General Advertising Expenses	54
34	930.2	Miscellaneous General Expenses	8,144
35	931	Rents	4,020
36		Total Operation	<u>43,335</u>
37		Maintenance	
38	935	Maintenance of General Plant	1,934
39		Total Administration & General Expenses	<u>45,269</u>
40		Total Electric Oper. & Maint. Expenses	<u>124,066</u>

Entergy Services, Inc.  
Electric Wages and Salaries By Function  
For the Twelve Months Ended December 31, 2002  
(\$ 000's)

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1	Production	0
2	Transmission	32,035
3	Distribution	0
4	Customer Accounts	0
5	Customer Services	0
6	Sales Expense	0
7	Administrative & General	7,810
8	TOTAL	<u>39,845</u>

Entergy Services, Inc.  
Electric Wages and Salaries By Function  
For the Twelve Months Ended December 31, 2002  
(\$ 000's)

LINE NO.	FERC ACCOUNT	DESCRIPTION	TOTAL
1		<u>TRANSMISSION EXPENSES</u>	
2		Operation	
3	560	Operation Supervision & Engineering	2,439
4	561	Load Dispatching	6,541
5	562	Station Expenses	320
6	563	Overhead Lines Expenses	89
7	564	Underground Lines Expenses	0
8	565	Transmission of Electricity by Others	0
9	566	Miscellaneous Transmission Expenses	1,893
10	567	Rents	0
11		Total Operation	<u>11,283</u>
12		Maintenance	
13	568	Maintenance Supervision & Engineering	8,208
14	569	Maintenance of Structures	12
15	570	Maintenance of Station Equipment	5,332
16	571	Maintenance of Overhead Lines	6,546
17	572	Maintenance of Underground Lines	0
18	573	Maintenance of Miscellaneous Transmission Plant	654
19		Total Maintenance	<u>20,752</u>
20		Total Transmission Expenses	<u>32,035</u>
21		<u>ADMINISTRATIVE AND GENERAL EXPENSES</u>	
22		Operation	
23	920	Administrative and General Salaries	6,836
24	921	Office Supplies and Expenses	28
25	922	Less Administrative Expenses	0
26	923	Outside Services Employed	0
27	924	Property Insurance	13
28	925	Injuries and Damages	34
29	926	Employee Pensions and Benefits	18
30	927	Franchise Requirements	0
31	928	Regulatory Commission Expenses	486
32	929	Less Duplicate Charges	0
33	930.1	General Advertising Expenses	4
34	930.2	Miscellaneous General Expenses	10
35	931	Rents	0
36		Total Operation	<u>7,429</u>
37		Maintenance	
38	935	Maintenance of General Plant	381
39		Total Administration & General Expenses	<u>7,810</u>
40		Total Electric Oper. & Maint. Expenses	<u><u>39,845</u></u>

Entergy Services, Inc.  
Depreciation and Amortization Expenses  
For the 12 Months Ended December 31, 2002  
(\$ 000's)

Ln	Function	Amount	Composite Depr Rates	Depreciable Plant Balances
1	Intangible	12,783	20.000%	Refer to Schedule AD
2	Transmission	65,556	2.133%	Refer to Schedule AD
3	General	6,291	4.491%	Refer to Schedule AD
4	Total	<u>84,630</u>		

Entergy Services, Inc.  
Taxes Other Than Income Taxes  
For the Twelve Months Ended December 31, 2002  
(\$ 000's)

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1	Revenue Taxes	0
2	Real Estate and Property Taxes	39,096
3	Payroll Taxes	3,472
4	Franchise Taxes	5,706
5	TOTAL	<u>48,274</u>

Entergy Services, Inc.  
Working Capital Statement  
For the 13 Months Ended December 31, 2002  
(\$ 000's)

Ln	Date	Materials & Supplies	Prepayments	Total
1	Dec-01	5,356	3,309	8,665
2	Jan-02	5,356	3,309	8,665
3	Feb-02	5,356	3,309	8,665
4	Mar-02	5,356	3,309	8,665
5	Apr-02	5,356	3,309	8,665
6	May-02	5,356	3,309	8,665
7	Jun-02	5,356	3,309	8,665
8	Jul-02	5,356	3,309	8,665
9	Aug-02	5,356	3,309	8,665
10	Sep-02	5,356	3,309	8,665
11	Oct-02	5,356	3,309	8,665
12	Nov-02	5,356	3,309	8,665
13	Dec-02	5,356	3,309	8,665
14	Avg	5,356	3,309	8,665

Entergy Services, Inc.  
Construction Work in Progress <sup>1</sup>  
For the 13 Months Ended December 31, 2002  
(\$ 000's)

<u>Ln</u>	<u>Date</u>	<u>Construction Work in Progress</u>
1	Dec-01	137,706
2	Jan-02	66,799
3	Feb-02	74,380
4	Mar-02	80,018
5	Apr-02	84,561
6	May-02	88,727
7	Jun-02	88,458
8	Jul-02	89,301
9	Aug-02	87,551
10	Sep-02	76,254
11	Oct-02	67,712
12	Nov-02	61,269
13	Dec-02	63,058
14	Avg	81,984

<sup>1</sup> Construction Work in Progress (CWIP) is not included as part of Rate Base.

**ENTERGY SERVICES, INC.  
NOTES PAYABLE  
PROJECTED AS OF DECEMBER 31, 2002**

LINE

- 1 Transco had no notes payable expected at December 31, 2002.

**ENTERGY SERVICES, INC.**  
**RATE FOR ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)**  
**PROJECTED TEST YEAR ENDING DECEMBER 31, 2002**

LINE	BILL PERIOD*	AVERAGE	AVERAGE	LONG TERM	LONG TERM	PREFERRED	PREFERRED	COMMON	COMMON	ESTIMATED	AFUDC RATE	AFUDC RATE
		SHORT TERM	SHORT TERM	DEBT RATIO	DEBT (%)	STOCK RATIO	STOCK (%)	EQUITY RATIO	EQUITY (%)		BORROWED	EQUITY
		(S)	(SR)	(D)	(DR)	(P)	(PR)	(C)	(CR)	(W)	GROSS RATE	GROSS RATE
1	2002	0	N/A	55.06%	8.16%	0	N/A	44.94%	13.00%	N/A	4.49%	5.84%

2 AFUDC Rate for Borrowed Funds =  $SR(S/W) + DR(D/(D+P+C))(1-(S/W))$

3 AFUDC Rate for Other Funds =  $(1-(S/W))PR(P/(D+P+C) + CR(C/(D+P+C)))$

4 Note: Capital amounts normally shown in the AFUDC calculation have been reflected as capitalization ratios as shown on Section II, Attachment G, Statement AV.

Entergy Services, Inc.  
Federal Income Tax Deductions  
Synchronized Interest  
For the 12 Months Ended December 31, 2002  
(\$ 000's)

Ln	Function	Amount
1	Plant in Service	3,307,504
2	Accum Prov for Depreciation	<u>1,350,934</u>
3	Net Plant in Service	1,956,570
4	Plant Held for Future Use	21,683
5	Working Capital	8,665
6	Accum Deferred Income Tax	<u>(278,959)</u>
7	Rate Base	1,707,959
8	Weighted Cost of Debt	<u>4.49%</u>
8	Interest Expense	<u><u>76,687</u></u>

Entergy Services, Inc.  
Federal Income Tax Deductions  
Other than Interest  
For the 12 Months Ended December 31, 2002  
(\$ 000's)

<u>Ln</u>	<u>Function</u>	<u>Amount</u>
1	Tax Depreciation	87,257
2	Book Depreciation	<u>84,630</u>
	Excess of Tax Depreciation over	
3	Book Depreciation	<u><u>2,628</u></u>

Entergy Services, Inc.  
Federal Tax Adjustments  
For the 12 Months Ended December 31, 2002  
(\$ 000's)

<u>Ln</u>	<u>Function</u>	<u>Amount</u>
1	Federal Deferred Tax Expense	<u>6,622</u>
2	Investment Tax Credit Amortization	<u>(1,453)</u>

Entergy Services, Inc.  
Additional State Income Tax Adjustments  
For the 12 Months Ended December 31, 2002

- NONE -

Entergy Services, Inc.  
State Tax Adjustments  
For the 12 Months Ended December 31, 2002  
(\$ 000's)

<u>Ln</u>	<u>Function</u>	<u>Amount</u>
1	State Deferred Tax Expense	<u><u>4,172</u></u>

Entergy Services, Inc.  
Other Operating Revenue  
For the Twelve Months Ended December 31, 2002  
(\$ 000's)

<u>Line No.</u>	<u>Other Operating Revenues</u>	<u>Amount</u>
1	Short-Term Firm PTPS Transmission Revenue	19,487
2	Non-Firm PTPS Transmission Revenue	3,063
3	Sch. System Control & Dispatch Service	869
4	Total Other Operating Revenues	<u><u>23,419</u></u>

<p style="text-align: center;"><b>ENTERGY SERVICES, INC.</b>  <b>COST OF CAPITAL</b>  <b>PROJECTED TEST YEAR ENDING DECEMBER 31, 2002</b></p>					
LINE NO	DESCRIPTION		CAPITAL RATIO	COST RATE %	WEIGHTED COST RATE %
	<b>DEBT</b>				
1	LONG TERM		55.06%	8.16%	4.49%
2	QUIPS		0.0%	0.00%	0.00%
3	<b>TOTAL DEBT</b>		55.06%	8.16%	4.49%
4	<b>PREFERRED EQUITY</b>		0.00%	0.00%	0.00%
5	<b>COMMON EQUITY</b>		44.94%	13.00%	5.84%
6	<b>COST OF CAPITAL</b>		100.00%	N/A	<b>10.33%</b>

ENTERGY SERVICES, INC.  
DEVELOPMENT OF DEBT COST RATE  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2002

Line	EAI	EGSI	ELI	EMI	ENOI	Total Transco
1	Total Capitalization applicable to					
2	Transco (Exhibit NEL-2) \$ in Millions					
	388	445	254	269	17	1,373
	28.3%	32.4%	18.5%	19.6%	1.2%	100.0%
3	<i>FYI: TST/NST capital amounts</i>					
	2,307,838,837	3,366,520,595	2,562,944,236	921,759,632	315,267,536	9,474,330,836
4	<i>FYI: TST/NST relative allocations</i>					
	24.4%	35.5%	27.1%	9.7%	3.3%	100.0%
5	<u>TST/NST Capitalization Ratios:</u>					
6	Debt Ratio					
	54.26%	56.20%	55.19%	53.80%	59.29%	55.06%
7	Equity Ratio					
	45.74%	43.80%	44.81%	46.20%	40.71%	44.94%
8	Total					
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9	Debt Amount					
	211	250	140	145	10	756
10	Equity Amount					
	177	195	114	124	7	617
11	Total					
	388	445	254	269	17	1,373
12	<u>Mid-Point of Debt Cost Rate:</u>					
13	7.55% to 8.0%					
						7.78%
14	Debt Capital Amount Shown Above					
						756,000,000
15	Annual Interest Requirement					
						58,816,800
16	<u>Amortization Debt Cost Rate:</u>					
17	Unamortized Debt Expense					
						5,703,000
18	Unamortized Loss on Reacq Debt					
						22,704,000
19	Total Unamortized Costs					
						28,407,000
20	Annual Amortization - 10 Years					
						2,840,700
21	<u>Effective Debt Cost Rate:</u>					
22	Mid-Point Annual Interest Requirement					
						58,816,800
23	Annual Amortization					
						2,840,700
24	Total Annual Requirement					
						61,657,500
25	Total Debt Gross Amount					
						756,000,000
26	Effective Debt Cost Rate					
						8.16%

**ENTERGY SERVICES, INC.  
COST OF SHORT TERM DEBT  
PROJECTED AS OF DECEMBER 31, 2002**

LINE

- 1 Transco had no short-term debt expected at December 31, 2002;
- 2 therefore a cost rate is not available.

**Entergy Services, Inc.  
Other Recent and Pending Rate Changes**

- 1 TRANSCO is filing initial rates in this proceeding. Consequently, it has no other
- 2 pending rate changes.

Entergy Services, Inc.  
Income and Revenue Tax Rate Data  
For the 12 Months Ended December 31, 2002  
(\$ 000's)

LN	Tax Rate Calculation	Plant at 12/31/02	Statutory Tax Rate		Apportioned State Rate		
			State	Federal	State Eff Rate	Factor	Rate
1	Entergy Arkansas, Inc.	954,449	6.50%	35.00%	6.50%	28.50%	1.85%
2	Entergy Gulf States, Inc. (La)	607,865	8.00%	35.00%	5.35% <sup>1</sup>	18.15%	0.97%
3	Entergy Gulf States, Inc. (Tx)	525,958	0.00%	35.00%	0.00%	15.70%	0.00%
4	Entergy Louisiana, Inc.	662,205	8.00%	35.00%	5.35% <sup>1</sup>	19.77%	1.06%
5	Entergy Mississippi, Inc.	526,528	5.00%	35.00%	5.00%	15.72%	0.79%
6	Entergy New Orleans, Inc.	<u>72,055</u>	8.00%	35.00%	5.35% <sup>1</sup>	2.15%	<u>0.12%</u>
7	Total Plant	<u>3,349,061</u>					
8	Total Apportioned State Rates						4.78%
9	Effective Federal Rate						<u>33.33%</u>
10	Composite Rate						<u>38.11%</u>

<sup>1</sup> Adjusted for deductibility of federal income tax.

**Entergy Services, Inc.  
Wholesale Customer Rate Groups**

1   TRANSCO has no existing wholesale customers. Listed below are the wholesale  
2   customers served under Entergy's Open Access Transmission Tariff during 2000.

3   **Point-to-Point Customers**

- 4   Arkansas Electric Cooperative Corporation
- 5   Associated Electric Cooperative Inc.
- 6   American Electric Power
- 7   AMEREN Services Co.
- 8   Aquilla Power Corp.
- 9   Louisiana Generating LLC
- 10   Cargill Alliant LLC
- 11   Citizens Power Sales LLC
- 12   Central Louisiana Electric Co.
- 13   Central & Southwest Services
- 14   CMS Energy
- 15   Constellation Power Source
- 16   Coral Power LLC
- 17   City Water Light Plant
- 18   Duke Energy Trading and Marketing Service
- 19   Dynergy Marketing and Trade
- 20   El Paso Power Services

**Entergy Services, Inc.  
Wholesale Customer Rate Groups**

- 1 Engage Energy US LP
- 2 Enron Power Marketing
- 3 Entergy Power Marketing Inc.
- 4 Koch Power Services Inc.
- 5 LG&E Power Marketing Inc.
- 6 Lafayette Utility Services
- 7 Municipal Energy Agency of Mississippi
- 8 Morgan Stanley Capital Group
- 9 Northern States Power Company
- 10 OG&E Energy Resources Inc.
- 11 PECO Power Team
- 12 PG&E Energy Trading Power LP
- 13 Reliant Energy Services
- 14 Southern Company Services Inc.
- 15 Southern Company Energy Marketing
- 16 Southern Mississippi Elec. Power Association
- 17 Sempra Energy Trading Corp.
- 18 Tenaska Power Services Co.
- 19 The Energy Authority Inc.
- 20 Tennessee Valley Authority
- 21 TXU Energy Trading Co.

**Entergy Services, Inc.  
Wholesale Customer Rate Groups**

- 1 Virginia Power Co.
- 2 Western Resources Inc.
- 3 Williams Energy Services Co.
  
- 4 **Network Customers**
- 5 East Texas Electric Cooperative Inc.
- 6 Louisiana Generating LLC
- 7 Central Louisiana Electric Co.

**Entergy Services, Inc.  
Allocation Demand and Capability Data**

- 1 This statement is not applicable in the context of this filing.

**Section I  
Statement BC**

**Entergy Services, Inc.  
Reliability Data**

- 1 This statement is not applicable in the context of this filing.

**Entergy Services, Inc.  
Allocation Energy and Supporting Data**

- 1 This statement is not applicable in the context of this filing.

**Entergy Services, Inc.  
Specific Assignment Data**

- 1 No specific assignments are reflected in the initial rates filed in this proceeding.

**Entergy Services, Inc.  
Exclusive Use Commitment of Major Power Supply Facilities**

- 1 This statement does not apply in the context of this filing.

**Entergy Services, Inc.  
Revenue Data to Reflect Changed Rates**

1 Given the circumstances of TRANSCO's initial rate filing in this proceeding, revenue  
2 data has limited applicability. Listed below are TRANSCO's proposed initial rates,  
3 which are based on projected 2002 data:

4 Ancillary Services

5	1) Scheduling, System Control and Dispatch Service	\$0.0001/kwh
6	2) Reactive Supply and Voltage Control from Generation	NA (1)
7	Sources Service	
8	3) Regulation and Frequency Response Service	NA (1)
9	4) Energy Imbalance Service	NA (1)
10	5) Operating Reserve – Spinning Reserve Service	NA (1)
11	6) Operating Reserve – Supplemental Reserve Service	NA (1)

12 Point-to-Point Service

13	Long-term Firm Transmission Service Rate	\$1.47/kw-month
14	Monthly Firm Transmission Service Rate	\$1.54/kw-month
15	Weekly Firm Transmission Service Rate	\$0.36/kw-week
16	Daily On-Peak Firm Transmission Service Rate	\$0.071/kw-day
17	Daily Off-Peak Firm Transmission Service Rate	\$0.051/kw-day
18	Hourly On-peak Non-firm Transmission Service Rate	\$0.00444/kwh
19	Hourly Off-peak Non-firm Transmission Service Rate	\$0.00211/kwh

Entergy Services, Inc.  
Revenue Data to Reflect Changed Rates

1	<u>Monthly Transmission Facilities Fixed Charge Rate</u>	0.01288
2	<u>Network Service</u>	
3	Monthly Network Transmission Service Revenue Requirement	\$40,406,000 (2)
4	<u>Texas Retail Electric Provider Service</u>	NA (3)

Note:

- 1) TRANSCO will pass through its costs for these Ancillary Services. See the Direct Testimony of ESI witness George R. Bartlett for further discussion.
- 2) Based on a projected TSRR for 2002 of \$484,869,000. See Statement BK.
- 3) Charges for Texas Retail Electric Provider Service vary monthly, but are based on an allocation of the Monthly Network Transmission Revenue Requirement to each Texas Retail Electric Provider.

**Entergy Services, Inc.  
Revenue Data to Reflect Present Rates**

1 TRANSCO does not have rates in effect currently. Consequently, TRANSCO does not  
2 have revenue from present rates. However, while not directly comparable to  
3 TRANSCO's initial rates presented in Statement BG, listed below are the rates currently  
4 in effect under Entergy's Open Access Transmission Tariff.

5 Ancillary Services

6	1) Scheduling, System Control and Dispatch Service	\$0.0001/kwh
7	2) Reactive Supply and Voltage Control from Generation	\$0.0002/kwh
8	Sources Service	
9	3) Regulation and Frequency Response Service	\$0.0004/kwh
10	4) Energy Imbalance Service	NA (1)
11	5) Operating Reserve – Spinning Reserve Service	\$0.0003/kwh
12	6) Operating Reserve – Supplemental Reserve Service	\$0.0001/kwh

13 Point-to-Point Service

14	Long-term Firm Transmission Service Rate	\$0.95/ kw-month
15	Monthly Firm Transmission Service Rate	\$1.02/ kw-month
16	Weekly Firm Transmission Service Rate	\$0.235/ kw-week
17	Daily On-Peak Firm Transmission Service Rate	\$0.047/ kw-day
18	Daily Off-Peak Firm Transmission Service Rate	\$0.034/ kw-day
19	Hourly On-peak Non-firm Transmission Service Rate	\$0.00295/kwh
20	Hourly Off-peak Non-firm Transmission Service Rate	\$0.00140/kwh

**Entergy Services, Inc.  
Revenue Data to Reflect Present Rates**

1	<u>Monthly Transmission Facilities Fixed Charge Rate</u>	NA (2)
2	<u>Network Service</u>	
3	Network Transmission Service Revenue Requirement	\$290,626,081
4	<u>Texas Retail Electric Provider Service</u>	NA (3)

Note:

- 1) Energy Imbalance Service is subject to a range of conditions and charges based on the particular circumstances involved.
- 2) Not applicable under the Energy OATT.
- 3) Charges for Texas Retail Electric Provider Service vary monthly, but are based on an allocation of the Network Transmission Service Revenue Requirement to each Texas Retail Electric Provider.

**Entergy Services, Inc.  
Fuel Cost Adjustment Factors**

- 1 This statement is not applicable in the context of this filing.

**Entergy Services, Inc.  
Summary Data**

1 Because TRANSCO is a single function company, the statements submitted in this filing  
2 in accordance with the Commission's filing requirements are much less complex and  
3 less extensive than is the case for most utilities. Many of the statements consist of a  
4 single page. Also, several statements are not applicable in the context of this filing. All  
5 other statements are generally much shorter and simpler than what they would be in a  
6 filing by a full service company.

7 Consequently, a summary of most of the statements for inclusion in this Statement BJ  
8 would have involved including a copy of the entire statement. This would have basically  
9 doubled the volume of the filing statements while serving no useful purpose. Because  
10 of these circumstances, Entergy Services, Inc. requests that the statements which  
11 would normally be included in this Statement BJ be considered included by reference.

ENTERGY SERVICES, INC.  
COST OF SERVICE  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2002

LINE  
NO

ANCILLARY SERVICE RATES

1	SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE (\$/kWh)	=	0.0001 (1)
2	REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE (\$/kWh)	=	N/A (2)
3	REGULATION AND FREQUENCY RESPONSE SERVICE (\$/kWh)	=	N/A (2)
4	ENERGY IMBALANCE SERVICE	=	N/A (2)
5	OPERATING RESERVE - SPINNING RESERVE SERVICE (\$/kWh)	=	N/A (2)
6	OPERATING RESERVE - SUPPLEMENTAL RESERVE SERVICE (\$/kWh)	=	N/A (2)

POINT-TO-POINT TRANSMISSION SERVICE

7	LFTSR =	LONG-TERM FIRM TRANSMISSION SERVICE RATE (\$/KW-MONTH)	
8	LFTSR =	$\frac{\text{TSRR (1)}}{12 * \text{TKW}}$	
	WHERE:		
9	TSRR =	TRANSMISSION SERVICE REVENUE REQUIREMENT FOR THE TEST YEAR	= \$484,869,000 (3)
10	TKW =	THE TRANSMISSION SYSTEM PEAK DEMAND (kW) FOR THE TEST YEAR	= 27,467,391 (4)
11	LFTSR =	LONG-TERM FIRM TRANSMISSION SERVICE RATE (\$/KW-MONTH)	= 1.47
12	MFTSR =	MONTHLY FIRM TRANSMISSION SERVICE RATE (\$/KW-MONTH)	
13	MFTSR =	$\frac{\text{TSRR} + \text{TREV}}{12 * \text{TKW}}$	
	WHERE:		
14	TREV =	SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE	= \$22,550,000 (5)
15	MFTSR =	MONTHLY FIRM TRANSMISSION SERVICE RATE (\$/KW-MONTH)	= 1.54
16	WFTSR =	WEEKLY FIRM TRANSMISSION SERVICE RATE (\$/KW-WEEK)	
17	WFTSR =	$\frac{12 * \text{MFTSR}}{52}$	
18	WFTSR =	WEEKLY FIRM TRANSMISSION SERVICE RATE (\$/KW-WEEK)	= 0.36
19	DPFTSR =	DAILY ON-PEAK FIRM TRANSMISSION SERVICE RATE (\$/KW-DAY)	
20	DPFTSR =	$\frac{12 * \text{MFTSR}}{5 * 52}$	
21	DPFTSR =	DAILY ON-PEAK FIRM TRANSMISSION SERVICE RATE (\$/KW-DAY)	= 0.071

ENTERGY SERVICES, INC.  
COST OF SERVICE  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2002

LINE  
NO

POINT-TO-POINT TRANSMISSION SERVICE (continued)

1	DOFTSR =	DAILY OFF-PEAK FIRM TRANSMISSION SERVICE RATE (\$/KW-DAY)		
2	DOFTSR =	$\frac{12 * MFTSR}{365}$		
3	DOFTSR =	DAILY OFF-PEAK FIRM TRANSMISSION SERVICE RATE (\$/KW-DAY)	=	0.051
4	HPNTSR =	HOURLY ON-PEAK NON-FIRM TRANSMISSION SERVICE RATE (\$/kWh)		
5	HPNTSR =	$\frac{TSRR + TREV}{5 * 16 * 52 * TKW}$		
6	HPNTSR =	HOURLY ON-PEAK NON-FIRM TRANSMISSION SERVICE RATE (\$/kWh)	=	0.00444
7	HONTSR =	HOURLY OFF-PEAK NON-FIRM TRANSMISSION SERVICE RATE (\$/kWh)		
8	HONTSR =	$\frac{TSRR + TREV}{365 * 24 * TKW}$		
9	HONTSR =	HOURLY OFF-PEAK NON-FIRM TRANSMISSION SERVICE RATE (\$/kWh)	=	0.00211

MONTHLY TRANSMISSION FACILITIES FIXED CHARGE RATE

10	MTFFCR =	MONTHLY TRANSMISSION FACILITIES FIXED CHARGE RATE		
11	MTFFCR =	$\frac{TSRR}{12 * TPLT}$		
	WHERE:			
12	TPLT =	TRANSMISSION PLANT IN SERVICE BALANCE FOR THE TEST YEAR	=	\$3,136,585,000 (6)
13	MTFFCR =	MONTHLY TRANSMISSION FACILITIES FIXED CHARGE RATE	=	0.01288

NETWORK TRANSMISSION SERVICE

14	MNTSRR =	MONTHLY NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT		
15	MNTSRR =	TSRR/12		
	WHERE:			
16	MNTSRR =	MONTHLY NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT	=	\$40,405,750

NOTES:

- (1) Section I Statement BK, Page 7, Line 5
- (2) The Ancillary Services provided under Schedules 2 - 6 will be subject to a pass through of TRANSCO's costs associated with those services.
- (3) Section I Statement BK, Page 3, Line 1
- (4) Section IV Gilbreath Workpaper supporting Statement BK Page 1, Line 23
- (5) Section I Statement AU, Sum of Lines 1 & 2
- (6) Section I Statement AD, Line 14

**ENTERGY SERVICES, INC.**  
**COST OF SERVICE**  
**DEVELOPMENT OF TRANSMISSION SERVICE REVENUE REQUIREMENT**  
**PROJECTED TEST YEAR ENDING DECEMBER 31, 2002**

LINE NO	DESCRIPTION	TEST YEAR AMOUNT (\$000's)	REFERENCE
1	TRANSMISSION SERVICE REVENUE REQUIREMENT	484,869	Determined as described in Note 1
2	OTHER OPERATING REVENUE	23,419	Section I Statement AU, Page 1, Line 4
3	TOTAL REVENUE	508,288	Line 1 + Line 2
4	OPERATION & MAINTENANCE EXPENSE	124,066	Section I Statement AH, Page 1, Line 8
5	REGULATORY DEBITS & CREDITS	0	
6	DEPRECIATION EXPENSE	71,847	Section I Statement AJ, Lines 2 + 3
7	AMORTIZATION EXPENSE	12,783	Section I Statement AJ, Line 1
8	TAXES OTHER THAN INCOME TAXES	48,274	Section I Statement AK, Line 5
9	CURRENT STATE INCOME TAX	8,222	Section I Statement BK, Page 5, Line 18
10	CURRENT FEDERAL INCOME TAX	57,323	Section I Statement BK, Page 5, Line 25
11	PROVISION FOR DEFERRED INCOME TAX-STATE	4,172	Section I Statement AT, Line 1
12	PROVISION FOR DEFERRED INCOME TAX-FEDERAL	6,622	Section I Statement AR, Line 1
13	INVESTMENT TAX CREDIT-NET	(1,453)	Section I Statement AR, Line 2
14	GAINS/LOSSES ON DISPOSITION OF UTILITY PLANT	0	
15	TOTAL OPERATING EXPENSES	331,856	Sum of Lines 4 - 14
16	UTILITY OPERATING INCOME	176,432	Line 3 minus Line 15
17	RATE BASE	1,707,959	Section I Statement BK, Page 4, Line 9
18	RATE OF RETURN ON RATE BASE	10.33%	Line 16 / Line 17

NOTE:

- (1) The capacity revenue requirement for the test year is the value that results in a Utility Operating Income, which when divided by the Rate Base produces a Rate of Return on Rate Base equal to the Performance Adjusted Cost of Capital.

**ENTERGY SERVICES, INC.  
COST OF SERVICE  
DEVELOPMENT OF RATE BASE (1)  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2002**

LINE NO	DESCRIPTION	TEST YEAR AMOUNT (\$000's)	REFERENCE
1	PLANT IN SERVICE	3,307,504	Section I Statement AD, Line 14
2	ACCUMULATED DEPRECIATION & AMORTIZATION	(1,350,934)	Section I Statement AE, Line 14
3	NET UTILITY PLANT	1,956,570	Line 1 + Line 2
4	PLANT HELD FOR FUTURE USE	21,683	Section I Statement AG, Line 14
5	MATERIALS & SUPPLIES	5,356	Section I Statement AL, Line 14
6	PREPAYMENTS	3,309	Section I Statement AL, Line 14
7	ACCUMULATED DEFERRED INCOME TAXES	(278,959)	Section I Statement AF, Line 14
8	OTHER	0	
9	RATE BASE	1,707,959	Sum of Lines 3 - 8

NOTE:

(1) Thirteen month average balance ending with December of the test year.

**ENERGY SERVICES, INC.**  
**COST OF SERVICE**  
**DEVELOPMENT OF CURRENT INCOME TAX EXPENSE**  
**PROJECTED TEST YEAR ENDING DECEMBER 31, 2002**

LINE NO	DESCRIPTION	TEST YEAR AMOUNT (\$000's)	REFERENCE
1	TOTAL REVENUE	508,288	Section I Statement BK, Page 3, Line 3
2	OPERATION & MAINTENANCE EXPENSE	124,066	Section I Statement BK, Page 3, Line 4
3	REGULATORY DEBITS & CREDITS	0	Section I Statement BK, Page 3, Line 5
4	DEPRECIATION EXPENSE	71,847	Section I Statement BK, Page 3, Line 6
5	AMORTIZATION EXPENSE	12,783	Section I Statement BK, Page 3, Line 7
6	TAXES OTHER THAN INCOME TAXES	48,274	Section I Statement BK, Page 3, Line 8
7	NET INCOME BEFORE INCOME TAXES	251,318	Line 1 - Sum of Lines 2 - 6
8	ADJUSTMENTS TO NET INCOME BEFORE INCOME TAX:		
9	INTEREST SYNCHRONIZATION (1)	(76,687)	Section I Statement AP, Line 8
10	EXCESS OF TAX DEPRECIATION OVER BOOK	(2,628)	Section I Statement AQ, Line 3
11	TOTAL ADJUSTMENTS	(79,315)	Line 9 + Line 10
12	TAXABLE INCOME	172,003	Line 7 + Line 11
	<b>COMPUTATION OF STATE INCOME TAX</b>		
13	STATE TAXABLE INCOME BEFORE ADJUSTMENTS	172,003	Line 12
14	ADJUSTMENT TO STATE TAXABLE INCOME	0	
15	STATE TAXABLE INCOME	172,003	Line 13 + Line 14
16	STATE INCOME TAX BEFORE ADJUSTMENTS	8,222	Line 15 * Composite Corporate State Income Tax Rate (4.78%). See Section I Statement AY, Line 8
17	ADJUSTMENTS TO STATE INCOME TAX	0	Section I Statement AS
18	<b>CURRENT STATE INCOME TAX</b>	8,222	Sum of Lines 16 - 17
	<b>COMPUTATION OF FEDERAL INCOME TAX</b>		
19	FEDERAL TAXABLE INCOME BEFORE ADJUSTMENTS	172,003	Line 12
20	CURRENT STATE INCOME TAX DEDUCTION	(8,222)	Line 16 - shown as a deduction.
21	OTHER ADJUSTMENTS TO FEDERAL TAXABLE INCOME	0	
22	FEDERAL TAXABLE INCOME	163,781	Sum of Lines 19 - 21
23	FEDERAL INCOME TAX BEFORE ADJUSTMENTS	57,323	Line 22 * Federal Corporate Income Tax Rate. See Section I Statement AY, Line 1
24	ADJUSTMENTS TO FEDERAL INCOME TAX	0	
25	<b>CURRENT FEDERAL INCOME TAX</b>	57,323	Sum of Lines 23 - 24

NOTE:

(1) Rate Base (Section I Statement BK, Page 4, Line 9) \* Total Debt Cost Rate (Section I Statement BK, Page 6, Line 3)

**ENTERGY SERVICES, INC.**  
**COST OF SERVICE**  
**DEVELOPMENT OF PERFORMANCE ADJUSTED COST OF CAPITAL**  
**PROJECTED TEST YEAR ENDING DECEMBER 31, 2002**

LINE NO	DESCRIPTION	CAPITAL AMOUNT (\$000's) (1)	CAPITAL RATIO (2)	COST RATE % (2)	WEIGHTED COST RATE % (2)
	<b>DEBT</b>				
1	LONG TERM	1,030,889	55.06%	8.16%	4.49%
2	QUIPS	0	0.0%	0.00%	0.00%
3	<b>TOTAL DEBT</b>	1,030,889	55.06%	8.16%	4.49%
4	<b>PREFERRED EQUITY</b>	0	0.00%	0.0%	0.00%
	<b>COMMON EQUITY</b>				
5	BASE	841,412	44.94%	13.00%	5.84%
6	INCENTIVE	0	0.00%	16.00% (3)	0.00%
7	<b>TOTAL COMMON EQUITY</b>	841,412	44.94%		5.84%
8	<b>COST OF CAPITAL</b>	1,872,301	100.00%	N/A	<b>10.33%</b>
9	<b>PERFORMANCE RATING ADJUSTMENT (4)</b>				<b>0.00%</b>
10	<b>PERFORMANCE ADJUSTED COST OF CAPITAL (Line 8 + Line 9)</b>				<b>10.33%</b>

NOTE:

- (1) See Section I Statement AA, Lines 11 and 12, respectively
- (2) See Section I Statement AV, Page 1
- (3) See Testimony of ESI Witness Frank F. Gallaher
- (4) The Performance Rating Adjustment is zero for the baseline year of 2002.

ENTERGY SERVICES, INC.  
ANCILLARY SERVICE CHARGES  
SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE RATE FORMULA  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2002

Line  
No

1 SCDR = SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE RATE (\$/kWh)

$$2 \text{ SCDR} = \frac{\text{SCD}}{\text{TKW} * 24 * 5 * 52}$$

Where:

3 SCD = SCHEDULING, SYSTEM CONTROL & DISPATCH EXPENSE IN FERC ACCOUNT 561 = \$13,822,000 (1)

4 TKW = TRANSMISSION SYSTEM PEAK DEMAND (kW) FOR THE TEST YEAR = 27,467,391 (2)

5 SCDR = SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE RATE (\$/kWh) = 0.0001

NOTES:

(1) See Section I Statement AH, Page 2, Line 4

(2) See Section IV Gilbreath Workpaper supporting Statement BK, Page 1, Line 23

**Entergy Services, Inc.  
Rate Design Information**

1 Entergy Services, Inc. is proposing a formula rate structure for TRANSCO that is very  
2 similar to the formula rate structure contained in Entergy's currently effective Open  
3 Access Transmission Tariff ("Entergy OATT"). The proposed TRANSCO formula rate  
4 structure differs from the formula rate structure in the Entergy OATT in the following  
5 respects:

- 6 1. A tabular, rather than algebraic, formula format has been utilized in order to more  
7 fully address TRANSCO's single function cost structure;
- 8 2. A new service, Dedicated Facilities Transmission Service, has been included;
- 9 3. The TRANSCO rate formula provides for exact recovery of TRANSCO's revenue  
10 requirement during its first three years of operation (2002-2004). At the end of this  
11 three year period the rate formula converts to the formula rate procedure utilized in  
12 the Entergy OATT, which provides for annual rate redetermination based on prior  
13 calendar year costs; and

**Entergy Services, Inc.  
Rate Design Information**

- 1 4. The TRANSCO rate formula includes the following performance-based ratemaking  
2 features:
- 3 a. An earnings bandwidth within which rates would not change in an annual  
4 redetermination (commencing in 2005);
- 5 b. Earnings sharing above and below the top / bottom of the earnings bandwidth  
6 (commencing in 2005);
- 7 c. An increase or decrease to TRANSCO's allowed rate of return on common  
8 equity to reflect its performance on the following performance measures:
- 9 i. Energy Delivery;
- 10 ii. Voltage-Fault; and
- 11 d. A 300 basis point increase in the rate of return on common equity applicable  
12 to certain types of facilities as an incentive for TRANSCO to invest in such  
13 facilities.

**Entergy Services, Inc.  
Construction Program Statement**

- 1 This schedule is not applicable in the context of this filing because TRANSCO is not
- 2 requesting any construction work in progress in rate base under §35.26(c)(3).