



# Hot Topics

*Important issues for Entergy's customers, employees, investors and other stakeholders.*

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## Entergy's Transmission Systems Works for Customers

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Entergy owns, operates and maintains more than 15,500 miles of high voltage transmission lines across its four-state service territory.

Delivering power to customers can be described as a four-part process with transmission lines playing the second part. Part one begins with the generating plant where electricity is made. Once generated, part two comes into play. The power is "transmitted," or sent out on these high voltage lines to more than 1,800 substations. Part three involves the substations where transformers do exactly as their name implies and transform, or "step down" the power to a voltage that can be used by residential customers and commercial businesses. Once that is accomplished, part four comes into play. The power is sent out on distribution lines, the lines that customers commonly see alongside streets and roads. These lines deliver the electricity to the homes and businesses of Entergy's 2.7 million customers.

Entergy's transmission system also provides power directly to large commercial and industrial customers. These customers include refineries, chemical plants, oil and gas processing facilities, pumping stations and large manufacturing sites that are vital to the region and nation.

### Supplying Power

Entergy owns, maintains and operates many of the power plants that use its transmission system to deliver high voltage power.

Independent power producers and large industrial facilities with their own power generating units also use Entergy's transmission system to send out electricity they have sold on the wholesale market. Entergy will also buy power from these other sources when it is economical.

## The Electricity Super Highway

Entergy's transmission system works like the interstate highway system. We've all traveled safely and quickly along interstate highways that crisscross Entergy's territory north to south and east to west, covering long distances quickly and safely.

In much the same way, the company's transmission system carries power across state lines, not only to Entergy customers, but also to neighboring transmission systems owned by other utilities. This network spans hundreds of thousands of miles and serves hundreds of millions of homes and countless industrial facilities.

### Reliability -- Job One

It's very important that electricity be kept at a steady voltage, whether at the high voltage transmission level, or the lower voltage distribution level. Too much power or too little can damage facilities or even the appliances in your home. With power being sent out on the transmission system from Entergy's own plants as well as from other power producers, it's important that a means is put in place to monitor power delivery so that as customer demand rises and falls, the system operates properly without interruption. Entergy has a System Operations Center in Pine Bluff, Ark., for just that purpose. Complex computer systems, operated by skilled personnel, constantly manage power flow and adjust the system depending on customer demand. Every hour of every day, the SOC monitors the movement of power into and out of Entergy's transmission system to and from neighboring systems.

Within Entergy's system, transmission operating centers in Beaumont, Texas; West Monroe and Gretna, La.; Little Rock, Ark. and Jackson, Miss., monitor and manage power flows within their areas to ensure stability and security.

### Open to All Qualified Users

Independent power producers or other generator can use Entergy's transmission system to move power. To make sure this takes place without affecting reliability or compromising the security of Entergy's system, an Independent Coordinator of Transmission, totally separate from all Entergy business interests, works with these producers and Entergy to provide access as needed.

### Who Should Pay For Expanding the System?

In some instances, when an independent power producer or other generator wants access to Entergy's transmission system to send power to another part of the country, new interconnecting lines and substations must be built. Entergy believes the new transmission system users should pay for those expansions.

Likewise, increased demand for power by Entergy customers in certain areas requires more transmission facilities. Entergy pays for these projects and asks state public service commissions for approval to charge customers.

### Transmission System Expansion – What Next?

New power plants are built to meet increased demand for electricity. New transmission lines must be built to move the additional power from the plants to customers.

Building new transmission lines, or upgrading existing lines, is a lengthy and costly process. Property owners who oppose the new lines contribute to the delay. Often, the outcome of the debate is unknown for many months or even years, while electricity usage and demand continue to increase.

The ICT works with stakeholders within Entergy's system and its neighboring utilities to help coordinate planning for future transmission needs in terms of long range transmission planning. This planning process factors in all customer needs for a ten-year planning horizon to provide for current and future needs of all customers

*Updated 03/09/09*