

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

ENTERGY CORP /DE/
Form 35-CERT
March 01, 2002

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

* * * * *	
In the Matter of	*
	*
ENTERGY CORPORATION,	*
ENTERGY ENTEPRISES, INC., et al.	* CERTIFICATE
	PURSUANT TO RULE 24
	*
File No. 70-9123	*
	*
(Public Utility Holding Company	*
Act of 1935)	*
* * * * *	

Pursuant to Rule 24 promulgated by the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935, as amended (Act), as modified by the application-declaration, as amended, in the above referenced file and the related orders dated June 22, 1999 (June 1999 Order) and August 21, 2000 (the August 2000 Order), this is to certify that the following transactions were carried out during the three (3) months ended December 31, 2001 (the quarter) by Entergy Corporation's Non-utility Companies¹ (Non-Reg Companies), pursuant to the authorization of the SEC. Capitalized terms used in this Certificate, unless otherwise defined, have the meanings set forth in the June 1999 Order and/or the August 2000 Order.

Authorized Transactions

Pursuant to the June 1999 Order or the August 2000 Order, as applicable, (a) the Non-Reg Companies are authorized to conduct development activities with respect to various investment opportunities for Entergy Corporation (Entergy), (b) the Non-Reg

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

Companies are authorized to provide various consulting services to other Non-Reg Companies and to non-associates, including to market to non-associates the Entergy System's expertise and capabilities in energy-related areas, and to market to non-associates intellectual property developed or acquired by System companies, (c) the Non-Reg Companies are authorized to provide various management, administrative and support services to associate companies, excluding certain associate companies (Excepted Companies²), (d) Entergy is authorized to create O&M Subs to provide various operations and maintenance services to non-associate or associate companies, (e) Entergy is authorized to create one or more New Subsidiaries, (f) Entergy and the Non-Reg Companies are authorized to make Non-utility Loans to certain Non-Reg Companies, (g) the Non-Reg Companies are authorized to issue Other Securities of any type to Entergy, to other Non-Reg Companies or to third parties, (h) the Non-Reg Companies are authorized to pay dividends to their immediate parent companies from capital accounts or other unearned surplus, and (i) Entergy and the Non-Reg Companies are authorized to provide guarantees or other forms of credit support (Guarantees) to or for the benefit of Non-Reg Companies through December 31, 2005, in an aggregate principal amount not to exceed \$2 billion at any one time outstanding (excluding any Guarantees previously issued and outstanding under the June 1999 Order.)

During the quarter, Entergy and the Non-Reg Companies participated in the following authorized transactions:

I. Administrative, Consulting, Management, and Other Services to Associate Companies

During the quarter, Entergy Enterprises Inc. (Enterprises) provided certain management and support services, at cost, to its

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

associate companies, Entergy Power, Inc. (EPI), Entergy Technology Holding Company (ETHC), Entergy Technology Company (ETC), Entergy Holdings, Inc., Entergy Business Solutions, LLC, Entergy Thermal LLC, Entergy Global Investments, Inc., Entergy UK Enterprises Ltd., Entergy Operations Services, Inc. (EOSI), Entergy Procurement Exchange Corporation, Entergy Solutions Management Services LLC, Entergy Solutions Select Ltd., Entergy Commerce, Inc., Entergy Power Development Corporation (EPDC), Entergy International Ltd. LLC, Entergy Pakistan, Ltd., Entergy Power Asia Ltd., EP Edegel, Inc., EWO Holdings Inc., Entergy Power Operations Corp., Entergy Power International Holdings Corp., Entergy Power Crete Corporation, Entergy Nuclear, Inc. (ENI), Entergy Nuclear Operations, Inc., Entergy Nuclear Generation Corporation (ENGC), Entergy Nuclear Indian Point 3 LLC, Entergy Nuclear FitzPatrick, LLC, Entergy Nuclear Indian Point 2 LLC, TLG Services, Inc., Entergy MHK Retail, LLC, Entergy Solutions Ltd., Entergy Solutions Supply Ltd., Entergy Solutions Essentials Ltd, Entergy Power RS Corp., RS Cogen LLC, Entergy Power Ventures LP, EWO Marketing, LP, Entergy Power E&C Holdings, LLC, Warren Power, LLC, and Entergy Power Gas Operations Corp. Enterprises' billings to all such associate companies included direct costs incurred plus, to the extent applicable, an indirect loading based upon current month administrative charges.

Enterprises billed, at cost, EPI (\$224,252) for consulting and other support services related to the marketing of EPI capacity and energy to third parties at wholesale, preparation of contracts and regulatory filings, oversight of plant operations and maintenance by plant operators, and procurement of transmission services. In regard to ETHC (\$40,326), ETC (\$570,325), Entergy Holdings, Inc. (\$248,272), Entergy Thermal LLC (\$121,094), Entergy Business Solutions, LLC (\$14,322), EPDC

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

(\$820,968), Entergy International Ltd. LLC (\$713,876), Entergy Global Investments, Inc. (\$39,156), Entergy MHK Retail, LLC (\$102,193), Entergy UK Enterprises Ltd. (\$18,475), Entergy Operations Services, Inc. (\$162,685), Entergy Procurement Exchange Corporation, (\$12,777), Entergy Solutions Management Services LLC (\$362,755), Entergy Solutions Select Ltd. (\$534,288), Entergy Solutions Essentials Ltd. (\$1,369), Entergy Commerce, Inc. (\$15,509), Entergy Pakistan Ltd. (\$33,081), Entergy Power Asia Ltd., (\$6,104), EP Edegel, Inc. (\$66,969), Entergy Power Operations Corporation (\$153,492), Entergy Power International Holdings Corp. (\$442,164 credit), Entergy Power Crete Corporation (\$155,961), Entergy Solutions Ltd (\$652,961), Entergy Solutions Supply Ltd. (\$334,120), Entergy Power RS Corp. (\$411,803), RS Cogen LLC (\$140,875), EWO Marketing, LP (\$765,903), Entergy Power Ventures LP, (\$1,330,056), Entergy Power E&C Holdings, LLC (\$392,867), Warren Power, LLC (\$211,873), Entergy Power Gas Operations Corp. (\$226,209), Entergy Nuclear Indian Point 3 LLC (\$1,583,929), Entergy Nuclear FitzPatrick LLC (\$1,429,245), Entergy Nuclear Indian Point 2 LLC (\$1,194,164), TLG Services, Inc. (\$49,914), ENI (\$1,022,178), and Entergy Nuclear Operations, Inc. (\$23,909), these services were primarily related to management oversight and/or project development. In regard to ENGC (\$1,537,227), Enterprises provided services related to the marketing of energy to third parties at wholesale and management oversight, administrative and support services. Also, during the quarter ENI billed Entergy Nuclear Indian Point 2 LLC (IP2) for costs related to development activities performed during prior quarters on behalf of IP2 relating to the acquisition of Indian Point 2 nuclear plant, which were billed to IP2 at cost in the amount of \$122,525.

During the quarter, Entergy Holdings, Inc. provided

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

management/administrative and consulting services to Entergy Business Solutions LLC and to Entergy Thermal LLC. The amounts billed, at cost, to Entergy Business Solutions LLC and Entergy Thermal LLC during this quarter were \$20,803 and \$48,541, respectively.

During the quarter, Entergy Solutions Management Services LLC provided management/administrative and consulting services to Entergy Solutions Ltd. and to Entergy Solutions Select Ltd. The amounts billed, at cost, during this quarter were \$1,600,398 and \$525,839, respectively.

During the quarter, Entergy Solutions Supply Ltd. provided management/administrative and consulting services to Entergy Solutions Ltd. and to Entergy Solutions Select Ltd. The amounts billed, at cost, during this quarter were \$541,788 and \$1,677,489, respectively.

During the quarter, Entergy Retail Texas, Inc. provided management/administrative and consulting services to Entergy Solutions Ltd. The amounts billed, at cost, during this quarter were \$63,456.

II. Consulting Services Provided to Non-Associate Companies

Enterprises, under contract with a hydroelectric partnership, continues to provide an array of technical services/support and maintenance for a hydroelectric transmission line. Certain Entergy Services, Inc. personnel are providing the services. Enterprises is paid a fixed annual fee plus market based rates for performing maintenance on the transmission line owned by the partnership. The partnership was charged \$14,376 for services rendered during the quarter.

During the quarter, no other consulting services were provided by Non-Reg Companies to non-associate companies.

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

III. Non-utility Loans Made by Entergy to Non-Reg Companies, or Between Non-Reg Companies

During the quarter, Entergy Power, Inc. issued a non-interest bearing unsecured promissory note to EWO Marketing, LP to evidence a borrowing in the amount of \$10,000,000 with a maturity date of December 19, 2003 for the purpose of meeting its expenses, to repay debt or to return capital to its parent.

During the quarter, Entergy Power Global Operations Corp. issued a non-interest bearing unsecured promissory note to Entergy International Holdings LLC to evidence a borrowing in the amount of \$3,400,000 with a maturity date of December 20, 2003 for the purpose of meeting its expenses, to repay debt, to return capital to its parent, or to make loans to affiliate companies.

During the quarter, no other Non-utility Loans subject to reporting in this Certificate were made by Entergy to Non-Reg Companies or between Non-Reg Companies.

IV. Other Securities Issuances by Non-Reg Companies

During the quarter, no Other Securities issuances subject to reporting in this Certificate were made by Non-Reg Companies.

V. Formation and Capitalization of New Subsidiaries and O&M

Subs

During the quarter, Entergy formed the following companies as New Subsidiaries in accordance with the June 1999 Order: EWO Wind II, LLC and EWO Wind I, LLC were formed to hold Entergy's investment in Northern Iowa Windpower LLC, which owns a wind powered electric generation plant. In addition, Entergy Power Netherlands Company, B.V. and Entergy Power Projects Italia, S.R.L., both previously inactive, were formed to hold Entergy's

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

investment in certain European electric generation projects; Entergy Power DeSoto County Ventures Inc. and DeSoto County Generation Company LLC, both previously inactive, were formed to hold Entergy's investments in certain electric generation projects in United States.

During the quarter, the foregoing companies were capitalized as follows: EWO Wind II, LLC and EWO Wind I, LLC were capitalized with \$1,000 and \$1,000, respectively. Entergy Power Netherlands Company, B.V., and Entergy Power Projects Italia, S.R.L. were previously capitalized with \$31,034 and \$9,709, respectively. Also, Entergy Power DeSoto County Ventures Inc. and DeSoto County Generation Company LLC were previously capitalized with \$1,000 and \$1,000, respectively.

In addition, during the quarter, Entergy Nuclear Indian Point 2 LLC relinquished its status as a New Subsidiary as a result of receiving EWG status.

During the quarter, no other amounts were expended to form and initially capitalize any New Subsidiaries or O&M Subs.

VI. Nature and Extent of O&M Services Provided

During the quarter, ENI provided decommissioning management services to a large non-associate nuclear operating utility in the Northeast and other services to non-associate companies related to the operation, maintenance, and decommissioning of nuclear generation facilities. The total amount billed for all such services was \$898,536, consisting of certain incentive fees and reimbursable expenses.

During the quarter, Entergy Nuclear Operations, Inc. (ENOI) billed, at cost, ENI (\$1,601,010), TLG (\$835,509), ENG C (\$3,515,178), IP3 (\$27,890,485), JAF (\$26,602,360) and IP2 (\$25,910,002) for O&M Services, including professional advice,

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

and technical support primarily related to the operation, maintenance or decommissioning of nuclear facilities.

In addition, during the quarter, EOSI provided power project related O&M Services to several non-associate customers, including professional advice, technical expertise and maintenance services. Specifically, EOSI's services to non-associate customers included performing preventive maintenance on substations; providing O&M consulting services; providing project management for the installation of a steam turbine; and providing engineering, procurement and construction services on transmission and substation facilities. The total amounts billed for all such services during the quarter were \$3,739,360 consisting, in each case, of market-based fees and reimbursable expenses, at cost. Also, during the quarter, EOSI provided O&M Services related to construction management support to EntergyShaw, LLC, at cost, in the amount of \$95,802.

During the quarter, Entergy Power Operations U.S. Inc. provided O&M Services to Entergy Power RS Corporation relating to construction management and administrative support and to Warren Power, LLC, wholly-owned indirect subsidiaries of Entergy relating to long-term operations and maintenance, and administrative support, at cost, for which said companies were billed \$1,887 and \$1,104,791, respectively.

Entergy represents that no Excepted Company has subsidized the operations of any Non-Reg Company and that the rendering of O&M Services by O&M Subs is in compliance with the applicable rules, regulations and orders of the SEC and has not adversely affected the services provided by any Excepted Company to its customers.

VII. Payment of Dividends By Certain Non-Reg Companies

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

During the quarter, EPI paid a dividend as a return of capital to its parent, Entergy Corporation in the amount of \$10,000,000.

During the quarter, Entergy International Holdings Ltd. LLC paid \$23,515,000 as a distribution out of capital to its parent, Entergy Corporation.

During the quarter, Entergy Retail Holding Company paid \$5,099,000 as a return of capital to its parent, Entergy Corporation.

During the quarter, Entergy Retail Texas, Inc. paid \$35,000 as a return of capital to its parent, Entergy Retail Holding Company.

During the quarter, Entergy Solutions Supply Ltd. paid \$1,500,000 as a return of capital to its parent, Entergy Retail Holding Company.

During the quarter, Entergy PTB Holding Company. paid \$1,910,000 as a return of capital to its parent, Entergy Corporation.

During the quarter, Entergy Power Warren Corporation I paid \$83,107,547 as a return of capital to its parent, Entergy Power Generation Corporation.

During the quarter, DeSoto County Generating Company LLC paid \$36,161 as a return of capital to its parent, Entergy Power DeSoto County Ventures, Inc.

During the quarter, Entergy Power DeSoto County Ventures, Inc. paid \$5,500,000 as a dividend to its parent, Entergy Power Generation Corporation.

During the quarter, EWO GP Ltd. paid \$60,780 as a distribution out of capital to its parent, EWO Marketing Holding LLC.

During the quarter, EWO Marketing LP paid \$6,078,000 as a

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

distribution out of capital to its parent, EWO Marketing Holding LLC.

During the quarter, no other dividends or distributions subject to reporting in this Certificate were paid by Non-Reg Companies.

VIII. Reorganizations

The Entergy Non-Reg Companies' organizational structure as of December 31, 2001 is included in Exhibit 1.

No reorganizations of Entergy's ownership interests in Non-Reg Companies subject to reporting in this Certificate were effected during the quarter.

IX. Outstanding Guarantees Issued by Entergy or by Non-utility Companies

As of the end of the quarter, the total outstanding amount of Guarantees issued pursuant to the August 2000 Order by Entergy or by Non-Reg Companies (to the extent reportable herein) to or for the benefit of Non-Reg Companies was \$488,299,870, excluding Guarantees previously issued and outstanding under the June 1999 Order in the amount of \$32,505,000.

X. Financial Statements

Entergy Corporation's unaudited Balance Sheet and Income Statement for the year ended December 31, 2001 are included in Exhibit 2.

IN WITNESS WHEREOF, the undersigned company has caused this certificate to be executed on this 1st day of March 2002.

Edgar Filing: ENTERGY CORP /DE/ - Form 35-CERT

ENTERGY CORPORATION

/s/ Nathan E. Langston
Nathan E. Langston
Senior Vice President and Chief Accounting Officer

1 Non-utility Companies are defined in the August 2000 Order as "exempt wholesale generators" ("EWGs"), "foreign utility companies" ("FUCOs"), "exempt telecommunications companies" ("ETCs"), "O&M Subs", "Authorized Subsidiary Companies", "New Subsidiaries" and "Energy-related Companies".

2 The Excepted Companies are Entergy's retail operating companies (Entergy Arkansas Inc., Entergy Louisiana Inc., Entergy Mississippi Inc., Entergy New Orleans Inc. and Entergy Gulf States Inc.), System Energy Resources, Inc., System Fuels, Inc., Entergy Operations, Inc., Entergy Services, Inc., and any other subsidiaries that Entergy may create whose activities and operations are primarily related to the domestic sale of electric energy at retail or at wholesale to affiliates or the provision of goods or services thereto.