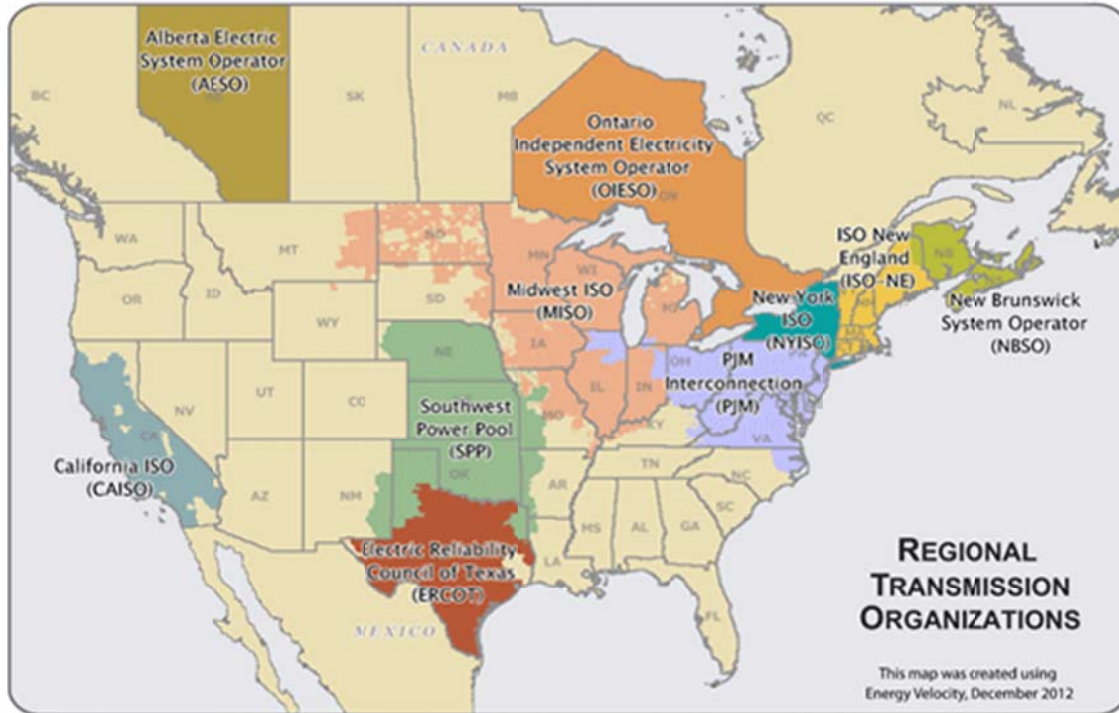


LOUISIANA UTILITIES JOIN REGIONAL TRANSMISSION ORGANIZATION

by
Patty Nussbaum

Figure 1. Regional Transmission Organizations



SOURCE: Federal Energy Regulatory Commission¹

The Louisiana Public Service Commission conditionally approved Entergy Louisiana’s and Entergy Gulf States Louisiana’s application to join the Midwest Independent Transmission System Operator (MISO) Regional Transmission Organization (RTO) in May 2012. In December 2012, Entergy Louisiana, LLC, Entergy Gulf States Louisiana, LLC and Entergy New Orleans, Inc. submitted executed transmission owner agreements to MISO and plan to be fully integrated into MISO operations by December 2013. Joining MISO is projected to result in savings to Entergy customers as well as benefits for electric co-operatives and municipalities in the state.

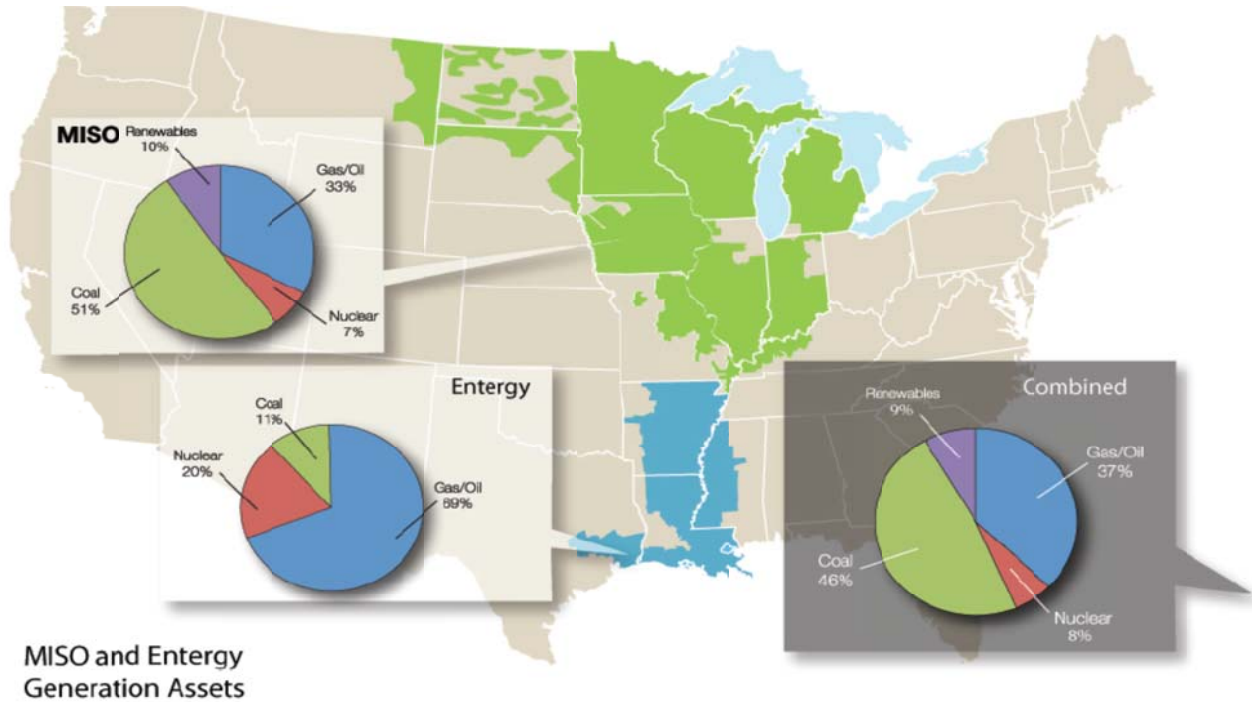
A regional approach means greater economies of scale to make the most efficient use of existing transmission and generation assets. Entergy brought 15,000 miles of transmission and 30,000 megawatts of generation capacity to the MISO footprint. MISO², a not-for-profit organization, is governed by an independent Board of Directors and was approved as a regional transmission

¹ Independent System Operators grew out of Orders Nos. 888/889 where the Commission suggested the concept of an Independent System Operator as one way for existing tight power pools to satisfy the requirement of providing non-discriminatory access to transmission. Subsequently, in Order No. 2000, the Commission encouraged the voluntary formation of Regional Transmission Organizations to administer the transmission grid on a regional basis throughout North America (including Canada). Order No. 2000 delineated twelve characteristics and functions that an entity must satisfy in order to become a Regional Transmission Organization (www.ferc.gov).

² For more information visit www.midwestiso.org.

organization in 2001. Once Entergy is added, the MISO footprint will include areas from Canada to the Gulf of Mexico.

Figure 2. MISO Market Footprint with Entergy



SOURCE: MISO

Entergy’s utility operating companies are also spinning off their electric transmissions businesses and merging them with a subsidiary of ITC Holdings Corp (ITC)³. ITC is based in Michigan and invests in the electric transmission grid. ITC owns and operates high-voltage transmission facilities through its subsidiaries. ITC focuses on transmission and the Entergy operating companies will continue to focus on generation and distribution.

Cleco announced in December 2012 that it also intended to join MISO and plans to integrate into it by January 2014. Cleco has submitted an application to the LPSC to transfer functional control of transmission assets to MISO. Cleco owns 1,250 miles of transmission lines throughout Louisiana.

The Louisiana State Energy Office (SEO) disseminates information focused on energy-related economic development.

³ For more information visit ITC’s website at www.itc-holdings.com.