

(10) preparing and submitting bids and proposals; and (11) any other activities necessary to identify and analyze investment opportunities.

Enterprises would continue its Preliminary Development Activities with respect to potential investments by Entergy in the following types of businesses and activities (hereinafter, "Permitted Investments"): (1) exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs") under the Act; (2) qualifying facilities ("QFs") under the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA"); (3) non-exempt domestic and foreign generation, transmission and distribution facilities, including but not limited to "inside the fence" generating projects and other power production facilities, provided, however, that any nonexempt domestic facility would be part of the integrated utility system; (4) technologies relating to energy efficiency; (5) the development of alternative energy sources; and (6) other exempt or nonutility business investments permissible under the Act. Except with respect to investments in EWGs, FUCOs and any other Permitted Investment for which Commission approval is not required under the Act or rules thereunder, neither Entergy nor Enterprises would make any Permitted Investment without obtaining further Commission approval. In addition, the financing of any such Permitted Investment would, to the extent jurisdictional, be subject to further Commission authorization.

The Order also authorizes Enterprises to provide various consulting services ("Consulting Services") to nonassociate companies in the areas of electric power generation, transmission and distribution and operations ancillary thereto. Enterprises proposes to continue to provide such Consulting Services to nonassociate companies. The Consulting Services may include: (1) Management expertise, such as strategic planning, organization, policy matters and management services; (2) technical expertise, such as design engineering, availability engineering, construction management planning and procedures, and financial, system and operational planning; (3) operating expertise, particularly with respect to generating, transmission and distribution facilities; (4) environmental expertise, such as environmental licensing and compliance, negotiation of permits and environmental planning; (5) training expertise, particularly in the areas of operations and management; (6) technical and procedural resources, such as are embedded in computer

systems, programs and manuals; (7) fuel procurement, delivery and storage expertise; (8) expertise related to marketing and brokering of power resources; and (9) expertise relating to demand side management or other energy management services.

Enterprises also would continue to market expertise in the bulk power business of its associate company, Entergy Power Inc., including: (1) Management services related to generating projects, transmission facilities and thermal energy facilities, particularly in the areas of strategic planning, feasibility studies, and policy and organizational matters; (2) technical services related to such projects and facilities, particularly in the areas of design, engineering, procurement and construction; and (3) training services related to such projects and facilities, particularly in areas of operations and maintenance. Enterprises also proposes to provide Consulting Services to associate companies, including associate EWGs, FUCOs and QFs. Enterprises will not, without further authorization from the Commission, provide Consulting Services to Retail Electric Companies.

The Order also authorizes Enterprises to provide, and Enterprises proposes to continue to provide, certain management and administrative support services to associate companies which are not Retail Electric Companies. Administrative services consist of corporate and project development and planning, portfolio management, and administrative services, including legal, financial, accounting and internal auditing ("Administrative Services"). Enterprises would continue to charge its associate companies for the fully allocated direct and indirect cost of services provided, determined in accordance with Rules 90 and 91 under the Act. Enterprises also would continue to utilize a project-based accounting system to account properly for and allocate the cost of providing such services to its associate companies.

The Commission reserved jurisdiction in its Order over Enterprises' provision of Administrative Services to associate companies that are EWGs or FUCOs under Sections 32 and 33, respectively, of the Act. The Commission adopted final rules in September 1993 concerning investments in EWGs (HCAR No. 25886) (September 3, 1993), and Entergy and Enterprises state that they are in compliance with such rules. In addition, Entergy and Enterprises agree to comply with the terms and conditions of all applicable rules under the Act relating to the provision of services to EWGs and FUCOs, including

without limitation Rule 87 as it may be amended. Accordingly, Entergy and Enterprises request the Commission to release jurisdiction over the provision of Administrative Services by Enterprises to associate companies that are EWGs and FUCOs.

Enterprises also proposes to offer directly or indirectly through one or more special purpose subsidiary companies of Entergy or Enterprises ("O&M Sub"), various operations and maintenance services ("O&M Services") to developers, owners and operators of domestic and foreign power projects, including power projects that Enterprises may develop on its own or in collaboration with third parties. O&M Services would include development, engineering, design, construction and construction management, pre-operational start-up, testing and commissioning, long-term operations and maintenance, fuel procurement, management and supervision, technical and training, administrative support, and any other managerial or technical services required to operate and maintain electric power facilities.

Enterprises would provide the O&M Services using its own workforce and the personnel and resources of the Retail Electric Companies obtained pursuant to the Service Agreements with such companies, as they may be amended by order of the Commission. Under the terms of the Settlement Agreements, the Retail Electric Companies would be reimbursed for the fully allocated cost of any services provided to Enterprises or any O&M Sub, plus 5%. O&M Subs would be domestic or foreign corporations, partnerships or other entities (depending upon the legal and regulatory requirements of a particular project). Enterprises will provide information to the Commission concerning the formation of an O&M Sub that is not an EWG or FUCO, and will represent that no Retail Electric Company has subsidized the operations of Enterprises or any O&M Sub and that any transfer of personnel from any Retail Electric Company to, and the rendering of O&M Services by, Enterprises or the O&M Sub are in compliance with applicable rules, regulations and orders of the Commission. Enterprises proposes to provide Consulting Services and O&M Services to its nonassociate and associate companies (excluding the Retail Electric Companies) at fair market prices. In this respect, Enterprises requests an exemption pursuant to Section 13(b) of the Act from the requirements of Rules 90 and 91 thereunder, provided one or more of the