

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

IN THE MATTER OF THE APPLICATION OF)
ENTERGY ARKANSAS, INC. FOR A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY AUTHORIZING IT TO OWN,)
ACQUIRE, CONSTRUCT, OPERATE,)
CONTROL, MANAGE AND MAINTAIN)
CERTAIN ELECTRIC PLANT CONSISTING)
OF ELECTRIC TRANSMISSION AND)
DISTRIBUTION FACILITIES WITHIN)
DUNKLIN, NEW MADRID, OREGON,)
PEMISCOT AND TANEY COUNTIES,)
MISSOURI AND/OR FOR OTHER RELIEF)

Case No. EA-2012-_____

APPLICATION

COMES NOW Entergy Arkansas, Inc. ("EAI" or the "Company"), and pursuant to Section 393.170, RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.105, for its application to the Missouri Public Service Commission ("Commission") for a certificate of convenience and necessity authorizing it to own, acquire, construct, operate, control, manage and maintain certain electric plant consisting of electric transmission and distribution facilities within Dunklin, New Madrid, Oregon, Pemiscot and Taney counties, Missouri; waiving the notice requirements of 4 CSR 240-4.020; and waiving the reporting requirements of 4 CSR 240-3.175 and 3.190(1)(3); or alternatively, finding and concluding that the Company already holds all such necessary authorizations from this Commission required for it to engage in the activities described herein; or alternatively, declining jurisdiction in this matter on the grounds that the described facilities and

operations are subject to the jurisdiction of the FERC, other otherwise for an order declining jurisdiction, respectfully states:

1. EAI is a corporation organized and existing under the laws of the State of Arkansas, and is a public utility, as defined by Ark. Code Ann. § 23-1-101 *et seq.*, subject to the jurisdiction of the Arkansas Public Service Commission ("APSC"). The Company's principal place of business is located at the Metropolitan National Bank Building, 425 West Capitol Avenue, Little Rock, Arkansas 72201. A copy of EAI's Articles of Amendment with Restatement (Articles of Incorporation) and Certificate of Corporate Good Standing in the State of Arkansas are attached hereto collectively as Appendix 1. A certificate from the Missouri Secretary of State indicating that EAI is authorized to do business in Missouri is attached hereto as Appendix 2.

2. EAI has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates having occurred within three years from the date of this application. EAI has no annual reports or assessments fees that are overdue.

3. All pleadings, notices, orders and other communications and correspondence regarding this application and proceeding should be directed to the undersigned counsel as well as to:

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Laura Landreaux
Manager of Regulatory Affairs
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lrffae@entergy.com

4. EAI previously served wholesale and retail customers in Missouri in the 1980s and 1990s, doing business under its former name Arkansas Power and Light Company ("AP&L"), a subsidiary of Middle South Utilities ("MSU"), now Entergy Corporation. In 1991, after receiving authorization from the Commission in consolidated cases EM-91-29 and EM-91-404, AP&L sold the substantial portion of its Missouri assets to Union Electric Corporation, now known as Ameren Missouri ("AmerenUE") and to Sho-Me Power Corporation. EAI retained certain transmission and distribution facilities which were and are used to furnish wholesale electric service to various cities and electric cooperatives in Missouri subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). These retained assets included both high voltage transmission as well as distribution facilities and are described on the document attached hereto as Appendix 3. The retained assets are located in the Missouri Counties of Dunklin,

New Madrid, Oregon, Pemiscot, and Taney as indicated on Appendix 4. EAI has no Missouri retail customers.

5. In its Report and Order issued in consolidated Cases EM-91-29 and EM-91-404, the Commission recognized that said cases involved together what amounted to the disposition of all AP&L's Missouri retail service assets subject to the jurisdiction of this Commission. Consequently, the Commission, in Ordered 14 of said Report and Order,¹ cancelled the certificates of convenience and necessity issued by the Commission to AP&L, or its predecessors in interest, to the extent any of such certificates or portions thereof were not transferred to Union Electric Company or to Sho-Me Power Corporation. In addition, by said Report and Order, the Commission upon the closing the transactions relieved AP&L of its obligations as a public utility to render service in its service area in Missouri pursuant to its tariffs approved by the Commission and certificates of convenience and necessity.

6. Since the closings of the transactions, which were the subject of said cases EM-91-29 and EM-91-404, EAI has continued to provide wholesale services to cities and electric cooperatives in Missouri subject to the jurisdiction of the FERC through the use of the Missouri-based facilities that it retained.

¹ See Report and Order at 4-5

7. One of those cooperatives, Associated Electric Cooperative Inc. ("AECI"), has requested a new interconnection point adjacent to EAI's existing 161 kV transmission line in Pemiscot County, Missouri, which interconnection will connect M&A Electric Power Cooperative's ("M&A") proposed new Steele 161/69 kV Substation that will be constructed to serve M&A customers and thereby allow a continuation of the provision of an adequate supply of electrical power to M&A and its customers in Pemiscot county, Missouri. The Steele area is currently served by a single 69 kV sub-transmission line, the Denton to Maplewood 69 kV Transmission Line. Recent analysis performed by AECI indicates multiple low voltage and thermal loading problems for contingencies on the 69 kV network in southeast Missouri. In order to provide a solution to these issues, AECI has proposed an interconnection on EAI's existing Hayti South to Blytheville I-55 161 kV line with construction of a new M&A 161/69 kV substation. This new substation would resolve the existing operating problems during certain contingencies and would improve voltage stability and electrical service reliability for the southeast Missouri area.

8. As indicated, it appears from the Commission's Report and Order issued in consolidated cases EM-91-29 and EM-91-404 that the Commission no longer considers AP&L, and its successor EAI, to be a public utility subject to the Commission's jurisdiction. More recently, however, in Case No. EA-2002-296 the Commission granted a certificate of public convenience and necessity to IES Utilities, Inc. authorizing the construction and operation of a transmission line in

Clark County, Missouri to serve IES customers in the State of Iowa. In addition, in Case No. EO-2007-0485 the Commission authorized ITC Midwest LLC ("ITC") to acquire by transfer a 161 Kv transmission line and in connection therewith also granted to ITC a certificate of public convenience and necessity, notwithstanding the fact that ITC had no Missouri retail customers. Given these decisions and the expenditures associated with the proposed new interconnection point, EAI has concluded that it would be appropriate to seek the relief which is the subject of this Application.

9. The proposed AECl interconnection point is approximately 2.5 miles northeast of Steele, Missouri near the intersection of Pemiscot County roads 407 and 456. The new AECl Steele Substation will be located on the north side of county road 456, approximately 0.7 miles west of Interstate Highway I-55. The interconnection will be located along EAI's existing Hayti South to Blytheville I-55 161 kV Transmission Line as it crosses M&A's Maplewood to Denton 69 kV Transmission line, approximately 1.25 miles east of the M&A Maplewood Substation in Pemiscot County, Missouri. The location of the proposed interconnection and AECl substation is shown on the area map attached as Appendix 5.

10. M&A will be responsible for constructing the substation and will build the substation high-voltage terminal in accordance with EAI specifications, which will consist of galvanized steel towers with concrete foundations, 161 kV

circuit breakers, motor operated air-brake sectionalizing switches, and electronic control and metering equipment. After construction, M&A will convey ownership of the high-voltage terminal equipment within the substation comprising the interconnection facilities to EAI, and EAI will be granted an easement from M&A for the land needed for the high-voltage interconnection. EAI will construct the transmission line cut-in from the existing line to the substation steel towers using 1590 ACSR electrical conductors and 7#7 alumoweld shield wires for lightening and surge protection. An electrical one-line drawing, electrical profile drawing, and a plot plan drawing depicting the substation and site layout located adjacent to EAI's transmission line is shown in Appendix 6. The demarcation line between the Company facilities and M&A facilities is shown on the substation and site layout drawing.

11. EAI will construct its transmission line dead-end structures within the existing EAI right-of-way of the Hayti South to Blytheville I-55 161 kV Transmission Line, which dead-end structures will connect the transmission line electrical conductors directly to the AECl Steele Substation terminal towers. The EAI transmission line structures will consist of single-pole, guyed, concrete or galvanized steel structures.

12. M&A will purchase and furnish the substation site and all required rights-of-way concerning the project. Survey drawings showing the proposed

substation site and right-of-way parcels adjacent to EAI's transmission line are shown in Appendix 7.

13. EAI's estimated cost for constructing its portion of the interconnection, including relay control upgrades at adjacent substations, is approximately \$1.03 million. EAI will finance the construction with funds available from various sources, including retained earnings, debt, and capital securities. No other alternative financing methods are considered appropriate at this time and the project does not qualify for any issuance of tax-exempt bonds. M&A will reimburse the Company for all costs of the interconnection project, including but not limited to, materials cost, labor costs, management costs, overheads, taxes, regulatory and legal fees, and ancillary expenses.

14. M&A will obtain all required permits, licenses, and authorizations, necessary for the project, and obtain and provide required permits, licenses, and authorizations necessary for the operations of the AECl Steele Substation.

15. The proposed interconnection to the AECl Steele Substation will not utilize public roads or rights-of-way and, consequently, in accordance with 4 CSR 240-3.105(1)(C), no approval of any affected governmental body is necessary for the construction, operation, or maintenance of the interconnection. Electric and telephone utilities, in addition to companies having underground facilities as defined per the General Safety Requirements in Section 319.015

RSMo, will not be crossed by the interconnection facilities. The proposed interconnection will be constructed in accordance with the requirements set forth in 4 CSR 240-18.010.

16. As indicated by its Report and Order in consolidated cases EM-91-29 and EM-91-404, the Commission either transferred or cancelled all of AP&L's certificates of convenience and necessity issued to it by the Commission and relieved AP&L of its public utility obligations in Missouri. Also, as indicated herein, AP&L, and its successor in interest, EAI, have continued to own and operate certain Missouri-based assets in connection with the provision of transmission service under the jurisdiction of the FERC. Given these circumstances and the need to expand those facilities as detailed herein, EAI desires an order from this Commission granting to it a certificate of convenience and necessity authorizing the Company to own, acquire, construct, operate, control, manage and maintain its existing Missouri-based electric plant as well as the new facilities proposed to be constructed as described herein, all located in Dunklin, New Madrid, Oregon, Pemiscot, and Taney Counties and waiving the depreciation study and reporting requirements of 4 CSR 240-3.175 and 3.190(1) (3). Alternatively, EAI requests this Commission to issue its order finding and concluding that the Company already holds all such authorizations from this Commission required for it to engage in such activities. Alternatively, EAI requests the Commission to issue its order declining jurisdiction in this matter. EAI requests that the Commission issue its order in this docket in a timely

manner in order to ensure the Company's ability to construct and operate the proposed interconnection by September 1, 2012.

17. Commission Rule 4 CSR 240-4.020, provides, in part, as follows:

(2) Any regulated entity that intends to file a case likely to be a contested case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission.

EAI has no Missouri retail customers and is not regulated by the Commission and therefore it would appear that said rule is not applicable in this matter. Accordingly, EAI does not believe that it is required to file a 60-day notice of filing pursuant to said rule. To the extent, however, that the 60-day notice of filing could be considered to be required under the rule, EAI respectfully requests that said requirement be waived pursuant to 4 CSR 240-4.020(2)(B) for good cause in that no contact concerning this matter has been made with a Commissioner, a member of the advisory staff or the presiding officer and the public interest would not be served by a 60-day waiting period before its filing.

WHEREFORE, EAI respectfully requests that the Commission issue its order:

A. Granting to it a certificate of convenience and necessity authorizing the Company to own, acquire, construct, operate, control, manage and maintain its existing Missouri-based electric plant, as described herein, as well as the new facilities proposed to be constructed as described herein, all located in Dunklin,

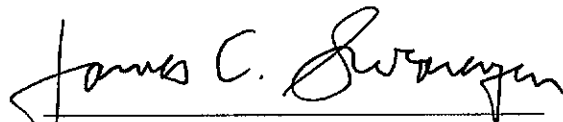
New Madrid, Oregon, Pemiscot and Taney Counties, Missouri finding that such is required by the public convenience and necessity, waiving the notice requirement of 4 CSR 240-4.020, and granting a waiver from the reporting requirements of Commission Rule 4 CSR 240-3.175 and 3.190(1) and (3).

B. Alternatively, finding and concluding that the Company already holds all such necessary authorizations from this Commission required for it to engage in the activities described herein.

C. Alternatively, declining jurisdiction in this matter on the grounds that the described facilities and operations are subject to the jurisdiction of the FERC, or otherwise.

D. Granting the relief requested in a timely manner in order to ensure the Company's ability to construct and operate the proposed interconnection by September 1, 2012, and to issue such other orders as are appropriate in the circumstances.

Respectfully submitted,

A handwritten signature in black ink, reading "James C. Swearingen". The signature is fluid and cursive, with a large initial "J" and "S".

James C. Swearingen MBE#21510
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ATTORNEYS FOR ENTERGY ARKANSAS, INC.

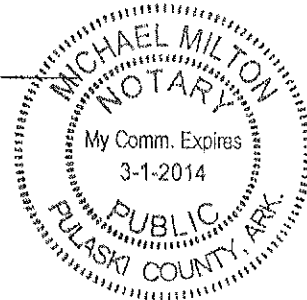
VERIFICATION

Murry K. Witcher, of lawful age, being duly sworn, deposes and says that he is Regulatory Project Coordinator - Transmission, that he is duly authorized to and did sign the foregoing application on behalf of Entergy Arkansas, Inc., that he has knowledge of the facts stated in the foregoing application, and that said facts are true to the best of his knowledge, information and belief.

Murry Witcher
Murry K. Witcher

Subscribed and sworn to before me this 27th day of MARCH, 2012

Michael Milton
Notary Public

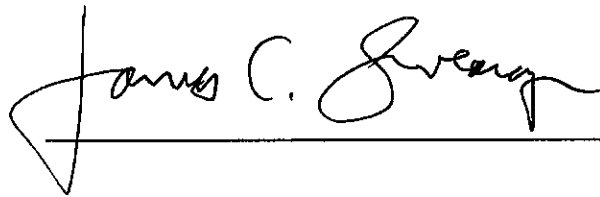


CERTIFICATE OF SERVICE

The undersigned does hereby certify that a copy of the foregoing has been served upon all parties of record by forwarding the same by electronic mail and/or first class mail, postage prepaid this 27th day of March 2012 to the following:

General Counsel
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102-0360

Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102-2230

A handwritten signature in black ink, reading "James C. Swearing", is written over a horizontal line. The signature is stylized with a large, sweeping initial 'J'.

LIST OF APPENDICES

- Appendix 1 Articles of Amendment with Restatement (Articles of Incorporation) and Certificate of Corporate Good Standing in the State of Arkansas
- Appendix 2 Certificate of Authority from the Missouri Secretary of State authorizing EAI to do business in Missouri as a Foreign Corporation
- Appendix 3 Listing of existing Missouri-based Transmission and Distribution Assets
- Appendix 4 Map showing location of existing Missouri-based assets
- Appendix 5 Location of Proposed Interconnection and AECI substation area map
- Appendix 6 Electric One-Line drawing, electrical profile drawing, and a plot plan drawing depicting substation and site layout located adjacent to EAI's transmission line
- Appendix 7 Survey drawings