



Entergy Arkansas, Inc.
425 West Capitol Avenue
P.O. Box 551
Little Rock, AR 72203-0551
Tel: 501 377 4457
Fax: 501 377 4415

Steven K. Strickland
Vice President
Regulatory Affairs

June 27, 2006

Mr. Ron Jones, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Tennessee Regulatory Authority (TRA) Docket No. 03-00486
Entergy Arkansas, Inc. Request for Approval to Enter Into Certain
Financing Transactions During the Years 2004 Through 2006

Dear Chairman Jones:

Pursuant to the approving Order issued October 31, 2003, in TRA Docket No. 03-00486, please find attached for filing with the TRA the original and thirteen copies of Entergy Arkansas, Inc.'s compliance financing report filed June 26, 2006 with the Arkansas Public Service Commission in APSC Reporting Docket No. 86-033-A and APSC Docket No. 03-139-U.

This report is in regard to the June 13, 2006 issuance of \$54.7 million aggregate principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project).

If you have any questions or need additional information, please do not hesitate to call me at 501-377-4457.

Sincerely,

A handwritten signature in black ink, appearing to read "Sk Strickland".

SS/tj

Attachments



Entergy

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Entergy Arkansas, Inc.
425 West Capitol Avenue
P.O. Box 551
Little Rock, AR 72203-0551
Tel: 501-377-4467
Fax: 501-377-4415

Steven K. Strickland
Vice President
Regulatory Affairs

FILED

June 26, 2006

Ms. Diana Wilson, Secretary
Arkansas Public Service Commission
P. O. Box 400
1000 Center Street
Little Rock, AR 72203-0400

Re: Originating Docket: 03-139-U
Report Docket: 86-033-A
Pursuant to Order No. 2
In the Matter of the Application of Entergy Arkansas, Inc.
for Authorization to Enter Into Certain Financing
Transactions During the Years 2004 Through 2006

Dear Ms. Wilson:

Please find attached the original and thirteen copies of Entergy Arkansas, Inc.'s report to the Commission in the above-styled proceedings regarding the June 13, 2006 issuance of \$54,700,000 aggregate principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project). This report is required under Order No. 2 in Docket No. 03-139-U.

Please file this letter and the attached report in the appropriate docket.

Sincerely,

SS/tj
Attachments

ENTERGY ARKANSAS, INC.

**SALE OF \$54,700,000 JEFFERSON COUNTY, ARKANSAS
POLLUTION CONTROL REVENUE REFUNDING BONDS
(ENTERGY ARKANSAS, INC. PROJECT) SERIES 2006**

EXECUTIVE SUMMARY

TRANSACTION ANALYSIS AND RESULTS

Entergy Arkansas, Inc. ("EAI") entered into a Loan Agreement dated June 1, 2006 (the "Loan Agreement") with Jefferson County, Arkansas (the "Issuer") pursuant to which the Issuer issued and sold, on June 13, 2006, by negotiated public offering, \$54,700,000 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2006 (the "Tax-Exempt Bonds") and loaned the proceeds of the Tax-Exempt Bonds to EAI. On June 13, 2006, in order to evidence in part and secure in part its obligations pursuant to the Loan Agreement, EAI issued to Simmons First Trust Company, National Association, as trustee under a Trust Indenture dated June 1, 2006 with the Issuer pursuant to which the Tax-Exempt Bonds were issued (the "Trust Indenture"), \$56,378,000 in aggregate principal amount of EAI's First Mortgage Bonds, Pollution Control Series F (the "Collateral Bonds").

EAI shall cause the proceeds of the Tax-Exempt Bonds to be applied exclusively to the redemption on or about July 14, 2006 (the "Refunding Date") of (i) \$9,200,000 aggregate principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds, Series 1994 (Arkansas Power & Light Company Project) (the "Series 1994 Bonds") at a redemption price of 100% of the principal amount thereof, and (ii) \$45,500,000 aggregate principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 1997 (together with the Series 1994 Bonds, the "Prior Bonds"), at the redemption price of 100% of the principal amount thereof, in each case, plus accrued and unpaid interest thereon to the Refunding Date. The redemption of the Prior Bonds and issuance of the Tax-Exempt Bonds proved to be the best method for financing due to lower pricing in the current market environment.

The proceeds from the issuance of the Tax-Exempt Bonds were \$54,700,000. The Underwriters received \$341,875 from EAI as compensation for the Underwriters purchasing and making a public offering of the Tax-Exempt Bonds. Additional expenses are estimated to be approximately \$200,000. Actual expenses will not be known for several months subsequent to closing.

SUMMARY OF TERMS

Tax-Exempt Bonds:

<u>Principal Amount:</u>	\$54,700,000
<u>Maturity Date:</u>	October 1, 2017
<u>Optional Call Provisions:</u>	Callable at par on and after June 13, 2011
<u>Underwriters:</u>	MORGAN STANLEY & CO. INCORPORATED STEPHENS INC. MORGAN KEEGAN & COMPANY, INC.
<u>11 Year AAA MMD:</u>	4.01%
<u>Spread to 11 Year AAA MMD:</u>	0.59%
<u>Yield to Public:</u>	4.60%
<u>Coupon Rate:</u>	4.60%
<u>Price to Public:</u>	100%
<u>Underwriters' Compensation:</u>	0.625%
<u>Price to Company:</u>	99.375%

Collateral Bonds:

<u>Principal Amount:</u>	\$56,378,000
<u>Maturity Date:</u>	October 1, 2017
<u>Coupon Rate:</u>	0%
<u>Optional Call Provisions:</u>	None

JOURNAL ENTRIES

Exhibit A shows journal entries related to the sale of the Tax-Exempt Bonds.

ENTERGY ARKANSAS, INC.
ENTRIES TO RECORD THE SALE OF
\$54,700,000 TAX-EXEMPT BONDS

Entry No. 1

Funds held on Deposit with Trustee	\$ 54,700,000	
Unamortized Discount – 4.6% Series LTD	\$ 0	
Long Term Debt		\$ 54,700,000
Unamortized Debt Expense – 4.6% Series LTD (Underwriting Fee)	\$ 341,875	
Cash		\$ 341,875

To record the sale of \$54,700,000 principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2006, due October 1, 2017, and the related underwriting fee associated with the sale.

Entry No. 2

Unamortized Debt Expense – 5% Series	\$*	
Cash		\$*

To record expenses in connection with the issuance of \$54,700,000 principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2006, due October 1, 2017 (*Total expenses are estimated to be approximately \$200,000. Actual expenses will not be known for several months subsequent to closing.)

Entry No. 3

Amortization – Discount on Long Term Debt *	\$*	
Unamortized Discount on Long Term Debt *		\$ *

To record the annual amortization of debt discount in connection with the issuance of \$54,700,000 principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2006, due October 1, 2017.

***NOTE: No discount associated with this piece of debt.**

Entry No. 4

Amortization – Expenses for Long Term Debt *	\$ 30,165.44	
Unamortized Debt Expense for Long Term Debt *		\$ 30,165.44

To record the annual amortization of underwriting fee in connection with the issuance of \$54,700,000 principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2006, due October 1, 2017.

*NOTE: This amount represents the approximate amount of expenses that will be amortized for 2006 only, based on the initial underwriting fee and initial expenses associated with this piece of debt. As the expenses continue to increase, so does the monthly amortization.

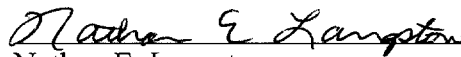
Entry No. 5

Long Term Debt	\$54,700,000
Unamortized Loss	\$423,240
Unamortized Expense	\$283,148
Unamortized Discount	\$140,092
Call Premium	\$0
Funds held on Deposit with Trustee	\$54,700,000

To record the early redemption of (i) \$9,200,000 aggregate principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds, Series 1994 (Arkansas Power & Light Company Project) (the "Series 1994 Bonds") at a redemption price of 100% of the principal amount thereof, and (ii) \$45,500,000 aggregate principal amount of Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 1997, at the redemption price of 100% of the principal amount thereof, in each case, plus accrued and unpaid interest thereon to the redemption date.

ENTERGY ARKANSAS, INC.

I, Nathan E. Langston, Senior Vice President and Chief Accounting Officer, attest on this 21st day of June, 2006 that the journal entries attached as Exhibit A correctly reflect the effect of the sale on June 13, 2006 of \$54,700,000 Jefferson County, Arkansas Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2006, due October 1, 2017 in connection with the above-described transaction.

A handwritten signature in cursive script, reading "Nathan E. Langston", is written over a horizontal line.

Nathan E. Langston

Senior Vice President and Chief Accounting Officer