

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**October 30, 2006**

**IN RE:**

**ENTERGY ARKANSAS, INC. REQUEST  
FOR APPROVAL TO ENTER INTO CERTAIN  
FINANCING TRANSACTIONS DURING THE  
YEARS 2007 THROUGH 2009**

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**DOCKET NO.  
06-00253**

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**ORDER APPROVING FINANCING TRANSACTION**

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This matter came before Chairman Sara Kyle, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on October 16, 2006 for consideration of the *Application* of Entergy Arkansas, Inc. (“EAI”) for an order, pursuant to Tenn. Code Ann. § 65-4-109 (2004), authorizing the issuance of securities and the assumption of obligations.

**The Application**

EAI is an electric utility primarily serving customers in Arkansas, with only twenty-two customers in the State of Tennessee. In its *Application*, filed with the TRA on October 3, 2006, EAI requests that the TRA issue an order authorizing EAI to issue or sell between January 1, 2007 and December 31, 2009: (i) first mortgage bond in an aggregate principal amount not to exceed \$900 million with a sub-limit of \$450 million for bonds other than refinancing or retirement of current bonds; (ii) preferred stock with aggregate par value not to exceed \$120 million; (iii) common stock, not to exceed 8 million shares at a minimum price of \$12.50 resulting in a maximum issuance value of \$200 million; and (iv) tax exempt bonds with aggregate principal under \$140 million and collateral bonds not to exceed \$157 million in principal.

According to the *Application*, the proceeds of the proposed financing transaction will be used to pay all or a portion of EAI's short-term indebtedness outstanding from time to time; to provide funds for the retirement, subject to applicable refunding, legal or regulatory requirements, of a portion of EAI's outstanding securities at or prior to maturity through redemptions, tender offers, open market or negotiated purchase, or otherwise; and for other corporate purposes.

On September 29, 2006, the Arkansas Public Service Commission ("APSC") issued an order approving the aforementioned financing transaction and imposing its traditional reporting requirements on the transaction. In addition, the APSC required EAI to provide the status of remaining authorized amounts, including the amount authorized for the period, the amount issued to date, and the remaining authorization after the instant issuance.

#### **October 16, 2006 Authority Conference**

Tenn. Code Ann. § 65-4-109 provides:

No public utility shall issue any stocks, stock certificates, bonds debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.


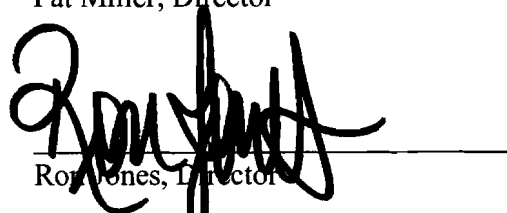
At a regularly scheduled Authority Conference held on October 16, 2006, the panel found that the transaction is in the public interest because it affords EAI flexibility to enter financial markets and to reduce capital costs as opportunities present themselves. Based on its findings, the panel voted unanimously to approve the financing transaction consistent with the September 29, 2006 order issued by the APSC, including filing requirements. The panel also acknowledged that approval of this financing transaction in no way restricts or prejudices the ratemaking treatment of such financial instruments in Authority Docket No. 06-00216.<sup>1</sup>

#### **IT IS THEREFORE ORDERED THAT:**

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<sup>1</sup> In Re: Application Of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service, Docket No. 06-00216, (August 24, 2006).

1. Entergy Arkansas, Inc. is authorized to enter into financing transactions between January 1, 2007 and December 31, 2009 as described in the *Application* and discussed herein.
2. The terms of said financing transactions shall be as described in the *Application*.
3. Entergy Arkansas, Inc. shall file copies of any reports that it is required to provide to the Arkansas Public Service Commission related to this Docket.
4. The authorization given hereby shall not be used by any party, including but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risk involved to a purchaser of Entergy Arkansas, Inc. securities. Nothing herein creates or is intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee, or any political subdivision thereof for the transactions approved herein.
5. The authorization given hereby does not represent any finding regarding the appropriate ratemaking treatment of these proposed transactions.

  
Sara Kyle, Chairman  
Pat Miller, Director  
Ron Jones, Director