



Entergy Arkansas, Inc.
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Tel 501 377 4457
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Steven K. Strickland
Vice President
Regulatory Affairs

July 10, 2009

Ms. Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

filed electronically in docket office on 07/13/09

Re: Tennessee Regulatory Authority Docket No. 09- 00098
Entergy Arkansas, Inc. Request for Authorization to Enter
into Certain Financing Transactions During the Years 2010
Through 2012

Dear Chairman Kyle:

Attached for filing with the Tennessee Regulatory Authority (TRA) are the original and four hard copies along with a compact disc containing Entergy Arkansas, Inc.'s (EAI) Application and the supporting Direct Testimony of EAI witness Steven C. McNeal filed July 10, 2009, with the Arkansas Public Service Commission (APSC) in Docket No. 09-068-U requesting authorization to enter into certain financing transactions during the years 2010 through 2012.

When the APSC General Staff files its testimony, it will be forwarded to you. Upon issuance of the APSC order, it will also be immediately forwarded to complete EAI's request pending consideration by the TRA.

Following the issuance of the APSC order, EAI is requesting that the TRA issue an order approving or concurring with the APSC Order as expeditiously as possible which will allow EAI the authority to enter into these proposed financial transactions pursuant to Tenn. Code Ann. § 65-4-109. The bond underwriters require individual orders issued by the APSC and the TRA granting their approval for the proposed financing transactions described in EAI's Application. The bond underwriters also require that the 60-day period following the issuance of the TRA Order be completed prior to EAI entering into these proposed financial transactions described in its Application. Therefore, EAI requests that the TRA act to consider this request and issue an order no later than October 31, 2009 to allow for the 60-day period to be completed by December 31, 2009.

Attached is a check in the amount of \$25.00 for EAI's filing fee.

Ms. Sara Kyle
Page 2
July 10, 2009

If you have any questions or need additional information, please do not hesitate to call me at (501) 377-4457 or Mr. David Hunt at (501) 377-4338.

Sincerely,

Steven R. Strickland 

SKS/tlv
Attachments

Arkansas Public Service Commission
 Docket Summary Cover Sheet

JUL 10 4 24 PM '09

(For all dockets other than Rate Cases, "TD", "C" and "TF" Dockets
 Must be filed with each new docket filed at the Commission

FILED

STYLE OF DOCKET: (Style may be changed by Secretary of Commission) Docket Number:

IN THE MATTER OF THE APPLICATION OF ENTERGY
 ARKANSAS, INC. FOR AUTHORIZATION TO ENTER INTO
 CERTAIN FINANCING TRANSACTIONS BETWEEN JANUARY 1,
 2010, AND DECEMBER 31, 2012

09-068-U

DOCKET DESIGNATOR: ☒ U ☐ A ☐ R ☐ P

Nature of Action: (See second sheet)

PETITIONER/INITIATING PARTY*

Entergy Arkansas, Inc.

ATTORNEYS' NAME, ADDRESS, PHONE, FAX AND E-MAIL

Ms. Tucker Ramey, Entergy Services, Inc., 425 W. Capitol Ave., P. O.
 Box 551, Little Rock, AR 72203, 501-377-4372, fax 501-377-5814,
 tramey@entergy.com

*If the initiating party is not a jurisdictional utility in Arkansas, please provide mailing address, phone, fax and e-mail for the company

Pursuant to Rule 2.03(b) of the Commission's Rules of Practice and Procedure, please provide name, address,
 phone, fax, e-mail of at least one, but not more than two names to appear on the Service List for this docket

Ms. Tucker Ramey, Entergy Services, Inc., 425 W. Capitol Ave., P. O. Box 551, Little Rock, AR 72203, 501-377-
 4372, fax 501-377-5814, tramey@entergy.com; Steven K. Strickland, Entergy Arkansas, Inc., 425 W. Capitol Ave., P.
 O. Box 551, Little Rock, AR 72203, 501-377-4457, fax 501-377-4415, sstrick@entergy.com

Write a brief statement, limited to the space provided herein describing the case that you are filing.

Please provide enough information to assure that the nature of your docket is clear.

This Application and Direct Testimony of Steven C. McNeal support EAI's request for APSC authorization for EAI to
 issue certain securities up to specified maximum limits to address EAI's general financing needs for the next three
 years, beginning January 1, 2010, and ending December 31, 2012. EAI is requesting authorization to issue and sell first
 mortgage bonds, preferred stock, common stock, and tax-exempt bonds up to certain specified amounts. The proceeds
 from such transactions would, among other things, permit EAI to acquire, redeem, or refund outstanding securities.

Form completed by: Wesley Hunt Date: 7/10/09

Representing: Entergy Arkansas, Inc.

NATURE OF ACTION: Please choose at least one, but no more than three docket types

<input type="checkbox"/> Accounting	<input type="checkbox"/> Lifeline/link up
<input type="checkbox"/> Acquisition/Sales	<input type="checkbox"/> Market Power
<input type="checkbox"/> Act 31 of 1981 (Surcharge)	<input type="checkbox"/> Merger/Transfer
<input type="checkbox"/> Act 821 of 1987 (Cooperatives Rate Change)	<input type="checkbox"/> Municipal Franchise Tax
<input type="checkbox"/> Administrative Procedures	<input type="checkbox"/> Net Metering
<input type="checkbox"/> Affiliate Rules	<input type="checkbox"/> Nuclear Decommissioning
<input type="checkbox"/> Annual Reports/Assessment	<input type="checkbox"/> One Call
<input type="checkbox"/> Ar Energy Conservation Act (Efficiency Programs)	<input type="checkbox"/> Pipeline Safety
<input type="checkbox"/> Arbitration	<input type="checkbox"/> Pole attachment issues
<input type="checkbox"/> Arkansas High Cost Fund	<input type="checkbox"/> Protective Order
<input type="checkbox"/> Arkansas Intralata Toll Pool	<input type="checkbox"/> Public Utility Holding Company Act
<input type="checkbox"/> Arkansas Universal Service Fund	<input type="checkbox"/> Public Utility Regulatory Policy Act
<input type="checkbox"/> ARSI Arkansas Relay Service, Inc.	<input type="checkbox"/> Purchase Power
<input type="checkbox"/> Auto Adjustment	<input type="checkbox"/> Railroad
<input type="checkbox"/> Avoided Cost	<input type="checkbox"/> Rates
<input type="checkbox"/> CCN Cancellation	<input type="checkbox"/> Refund
<input type="checkbox"/> CCN Facility	<input type="checkbox"/> Reports
<input type="checkbox"/> CCN License	<input type="checkbox"/> Resource Plan
<input type="checkbox"/> CECPN	<input type="checkbox"/> Restructuring
<input type="checkbox"/> Cost of Gas/Energy seasonal/unscheduled	<input type="checkbox"/> Retail
<input type="checkbox"/> Customer release/Abandonment	<input type="checkbox"/> River Crossing
<input type="checkbox"/> Declaratory Judgment	<input type="checkbox"/> Regional Transmission Organization
<input type="checkbox"/> Depreciation	<input type="checkbox"/> Rulemaking
<input type="checkbox"/> Dialing/Numbering	<input type="checkbox"/> Service Quality
<input type="checkbox"/> Disabilities Act of 1990	<input type="checkbox"/> Shielded Outdoor Lighting
<input type="checkbox"/> Earnings Review	<input type="checkbox"/> Show Cause
<input type="checkbox"/> Eligible Telecommunications Carrier Designation	<input type="checkbox"/> Stranded Costs
<input type="checkbox"/> Energy Policy Act	<input type="checkbox"/> Sustainable Energy Resources
<input type="checkbox"/> Energy/Fuel Purchasing Practices	<input type="checkbox"/> Terms and Conditions
<input type="checkbox"/> EWG Exempt Wholesale Generator	<input type="checkbox"/> Territory/release/unallocated territory
<input type="checkbox"/> Extended Area Service	<input type="checkbox"/> Transition costs
<input type="checkbox"/> Extension of Telecommunications Facilities Fund	<input type="checkbox"/> Unbundling
<input type="checkbox"/> Extraordinary Property Loss	<input type="checkbox"/> USOA (Uniform System of Accounts)
<input type="checkbox"/> FCC	<input type="checkbox"/> Waiver/Exemption
<input checked="" type="checkbox"/> Finance (Bonds/issue & sell; stock; prom note)	<input type="checkbox"/> Weather
<input type="checkbox"/> Grand Gulf	<input type="checkbox"/> Wholesale
<input type="checkbox"/> Integrated Resource Planning	<input type="checkbox"/> Wholesale Rate Adjustment
<input type="checkbox"/> Interconnection Agreements	
<input type="checkbox"/> Interest/Customer Deposit	
<input type="checkbox"/> Investigation/Inquiry	

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

JUL 10 P 4: 07

FILED

IN THE MATTER OF THE APPLICATION)
 OF ENTERGY ARKANSAS, INC. FOR)
 AUTHORIZATION TO ENTER INTO)
 CERTAIN FINANCING TRANSACTIONS)
 BETWEEN JANUARY 1, 2010, AND)
 DECEMBER 31, 2012)

DOCKET NO. 09-068-UAPPLICATION

COMES NOW ENTERGY ARKANSAS, INC. ("EAI" or the "Company"),
 and for its Application states:

1. This Application is filed pursuant to Ark. Code Ann. § 23-3-103, et seq. and Rules 4 and 5 of the Rules of Practice and Procedure ("RPP") of the Arkansas Public Service Commission ("APSC" or the "Commission"). EAI is subject to the jurisdiction of the Commission and is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") as an electric utility subsidiary of Entergy Corporation. The Tennessee Regulatory Authority ("TRA") also regulates the issuances of securities by EAI. EAI must, therefore, comply with applicable rules and regulations promulgated by the FERC and the TRA and, as hereinafter described in greater detail, secure certain approvals of the TRA in connection with the proposed transactions described herein, in addition to those approvals it must obtain from this Commission.

2. EAI is a corporation organized under the laws of the State of Arkansas and is a public utility as defined by Ark. Code Ann. § 23-1-101, et. seq. The Company's principal office is located at 425 West Capitol Avenue, Little Rock, Arkansas 72201. The Company's property consists of facilities for the generation, transmission, and distribution of electric power and energy to the public and of other property necessary to repair, maintain, and operate those facilities. These properties and facilities are located principally in the State of Arkansas. Certain distribution and transmission facilities for wholesale customers are located in the State of Missouri, and distribution lines for retail customers situated wholly on the west side of the main channel of the Mississippi River are located in a small portion of the State of Tennessee. The Company also owns a generation facility located in the State of Louisiana.

The current authorization for EAI to enter into certain financing transactions granted in Docket No. 06-096-U expires on December 31, 2009. In order to take advantage of favorable capital market conditions, it is essential that EAI be able to engage in the financing transactions described herein during the period January 1, 2010, through December 31, 2012. The financing transactions for which authorization is requested herein are comparable to the transactions authorized in Docket No. 06-096-U.

I. ISSUANCE AND SALE OF FIRST MORTGAGE BONDS

3. Pursuant to Ark. Code Ann. § 23-3-104, EAI hereby applies to the Commission for an order authorizing it from time to time not earlier than January 1, 2010, and not later than December 31, 2012, to issue and sell one or more series of its first mortgage bonds (the "Bonds" or "First Mortgage Bonds") in such principal amounts as EAI may elect, which combined amounts, in the aggregate, shall not exceed the sum of \$800 million. The Bonds of each series will be due not less than one year nor more than 50 years after their respective dates of issuance.

4. The combined principal amounts of the Company's outstanding First Mortgage Bonds that mature or could possibly be economically refunded over the next three years are \$400 million. EAI has included an additional amount of \$400 million of First Mortgage Bonds to provide flexibility under special circumstances, such as emergency restoration. These components support the request for authorization to issue and sell up to \$800 million of First Mortgage Bonds.

5. Each series of Bonds will be sold at such price, will bear interest at such rate (which may be an adjustable rate), and will mature on such date as will be determined at the time of sale. EAI anticipates that the issuance and sale of each series of Bonds will be by means of competitive bidding or a negotiated public offering or private placement with institutional investors in order to secure the advantage of an advanced marketing effort and the best available terms.

Because the markets for the Bonds are constantly fluctuating, it is not possible to forecast the precise interest rate for any series of the Bonds at this time.

6. Each series of Bonds is to be issued as a new series of First Mortgage Bonds under EAI's Mortgage and Deed of Trust, dated as of October 1, 1944, to Guaranty Trust Company of New York (Deutsche Bank Trust Company Americas, successor) and Henry A. Theis (Stanley Burg, successor), Co-Trustee, and Marvin A. Mueller (The Bank of New York Mellon Trust Company, National Association, successor), Co-Trustee, as to certain Missouri property, as Trustees, as heretofore supplemented and as proposed to be further supplemented by additional supplemental indentures thereto (the "Mortgage"). A copy of the Mortgage, as supplemented, has previously been filed with the Commission. A copy of the proposed form of supplemental indenture relating to each series of the Bonds is attached hereto as EAI Exhibit A.

7. The Mortgage constitutes a first mortgage lien on substantially all of the properties presently owned by EAI (except as stated below), subject to (a) leases of minor portions of the Company's property to others for uses that do not interfere with the conduct of the Company's business, (b) leases of certain EAI property not used in its electric utility business, and (c) excepted encumbrances. There are excepted from the lien of the Mortgage all cash and securities, certain equipment, fuel, materials or supplies, automobiles and other vehicles and aircraft, timber, minerals, mineral rights, and royalties, receivables, contracts, leases and operating agreements, and certain unimproved lands sold or to be

sold. The Mortgage contains provisions for encumbering after-acquired property by the lien thereof, subject to limitation in the case of consolidation, merger, or sale of substantially all of EAI's assets.

8. EAI's Mortgage provides that each new series of First Mortgage Bonds may be subject to annual sinking or improvement fund payments. EAI is not obligated to make annual payments into sinking or improvement funds with respect to any of its outstanding First Mortgage Bonds and does not intend to issue any new series of First Mortgage Bonds which will be subject to such requirements.

9. The aggregate amount of First Mortgage Bonds which was issued and outstanding under the Mortgage as of June 30, 2009, was approximately \$1,321 million (including \$121 million of Collateral Bonds, as defined below), all of which is secured by the lien of the Mortgage.

10. The net proceeds that EAI will receive from the issuance and sale of the Bonds will be used for general corporate purposes, including, but not limited to, the possible acquisition, redemption, and refunding of certain outstanding securities, for both economic refunding and refinancing of maturing debt; for restructuring debt to provide more flexibility; to fund capital expenditures and working capital needs; and to finance unanticipated events, such as emergency restoration.

II. PREFERRED STOCK

11. EAI also requests authorization to create, issue, and sell, from time to time but not earlier than January 1, 2010, and not later than December 31, 2012, one or more series of its \$100 Par Value, \$25 Par Value or Class A Preferred Stock, or any combination thereof, each such series consisting of such number of shares as EAI shall elect; provided, however, that the total number of such shares shall not exceed the number of shares authorized by the Company's Amended and Restated Articles of Incorporation ("Articles of Incorporation"), which is on file with the APSC and is hereby incorporated by reference. Such shares shall not have an aggregate par value or involuntary liquidation value, as the case may be, in excess of \$120 million. Each new series of the Preferred Stock shall have the same rank and relative rights as, and shall otherwise be identical to, each series of EAI's Preferred Stock presently issued and outstanding, except as follows: (i) the par value and/or involuntary liquidation value of each such new series may differ; (ii) the resolutions authorizing the creation of each such new series of the Preferred Stock may provide for different dividend rates, dates from which dividends shall commence to accumulate, redemption rates, and redemption restrictions, if any; and (iii) the holders of the \$25 Preferred Stock will not have the right to vote, consent to, or otherwise restrict EAI's ability to issue or assume unsecured indebtedness.

12. Each series of Preferred Stock will be sold at such price and have such dividend rate as will be determined at the time of sale. EAI anticipates that the issuance and sale of each series of Preferred Stock will be by means of

competitive bidding or a negotiated public offering or private placement with institutional investors to secure the advantage of an advanced marketing effort and/or the best available terms. Because the market for the Preferred Stock is constantly fluctuating, it is not possible to forecast the precise dividend rate for any series of the Preferred Stock at this time.

13. The Preferred Stock will be issued in accordance with EAI's Articles of Incorporation, which currently authorize the issuance of 3,730,000 shares of its \$100 Par Value Preferred Stock, 9,000,000 shares of its \$25 Par Value Preferred Stock, and 15,000,000 shares of its Class A Preferred Stock, of which 413,500 shares of its \$100 Par Value Preferred Stock and 3,000,000 shares of its \$25 Par Value Preferred Stock were issued and outstanding as of June 30, 2009. There are no shares of the Class A Preferred Stock issued and outstanding.

14. The net proceeds that EAI will receive from the issuance and sale of the Preferred Stock will be used for general corporate purposes, including, but not limited to, the possible acquisition, redemption, and refunding of certain outstanding securities, for both economic refunding and refinancing of maturing debt; for restructuring debt to provide more flexibility; to fund capital expenditures and working capital needs; and to finance unanticipated events, such as emergency restoration.

III. COMMON STOCK

15. EAI also requests authorization to issue and sell to Entergy Corporation an aggregate amount of its common stock, \$0.01 par value per share ("Common Stock") not exceeding 16,000,000 shares, at a minimum price of \$12.50 per share, in one or more separate transactions occurring at such times as the Company deems appropriate, but not earlier than January 1, 2010, and not later than December 31, 2012, for an aggregate maximum consideration of \$200 million. EAI will enter into such agreements with Entergy Corporation for the sale and purchase of the Common Stock, to occur in such installments and at such times before December 31, 2012, as EAI and Entergy Corporation shall determine.

16. The Common Stock will be issued in accordance with the Company's Articles of Incorporation, which currently authorize the issuance of 325,000,000 shares of its Common Stock, of which 46,980,196 shares were issued and outstanding as of June 30, 2009.

17. The net proceeds that EAI will receive from the issuance and sale of the Common Stock will be used for general corporate purposes, including, but not limited to, the possible acquisition, redemption, and refunding of certain outstanding securities, for both economic refunding and refinancing of maturing debt; for restructuring debt to provide more flexibility; to fund capital expenditures and working capital needs; and to finance unanticipated events, such as emergency restoration.

IV. TAX-EXEMPT BONDS, COLLATERAL BONDS AND RELATED TRANSACTIONS

18. EAI proposes to enter into arrangements for the issuance and sale, by one or more governmental authorities (each an "Issuer"), of one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$350 million ("Tax-Exempt Bonds") at one time or from time to time not earlier than January 1, 2010, and not later than December 31, 2012. The Company would enter into one or more leases, installment sales, refunding, loan, or similar agreements and/or one or more supplements or amendments thereto (collectively, the "Facilities Agreement") contemplating the issuance and sale by the Issuer(s) of one or more series of Tax-Exempt Bonds pursuant to one or more trust indentures and/or one or more supplements thereto (collectively, the "Indenture") between the Issuer and one or more trustees (collectively, the "Trustee"). The proceeds of the sale of Tax-Exempt Bonds, net of any underwriters' discounts or other expenses payable from proceeds, will be applied to acquire and construct certain pollution control or sewage and solid waste disposal facilities at EAI's generating plants ("Facilities") or to refinance outstanding Tax-Exempt Bonds issued for that purpose.

19. Payments made by EAI under the Facilities Agreement will be in amounts sufficient (together with any other moneys held by the Trustee under the Indenture and available for such purpose) to pay the principal of, and the premium, if any, thereon, together with interest accrued or to accrue on, the

related series of Tax-Exempt Bonds as the same become due and payable, and such payments will be made directly to the Trustee pursuant to an assignment and pledge thereof by the Issuer to the Trustee as set forth in the Indenture. Under the Facilities Agreement, EAI also will be obligated to pay (a) the fees and charges of the Trustee and any registrar or paying agent under the Indenture, (b) all expenses necessarily incurred by the Issuer in connection with its rights and obligations under the Facilities Agreement, (c) all expenses necessarily incurred by the Issuer or the Trustee under the Indenture in connection with the transfer or exchange of Tax-Exempt Bonds, and (d) all other payments that the Company agrees to pay under the Facilities Agreement.

20. The Indenture may provide that, upon the occurrence of certain events relating to the operation of all or a portion of the Facilities financed, the Tax-Exempt Bonds will be redeemable by the Issuer, at the direction of EAI. Any series of Tax-Exempt Bonds may be made subject to a mandatory cash sinking fund under which stated portions of the Tax-Exempt Bonds may be subject to mandatory redemption in other cases. The payments by EAI under the Facilities Agreement in such circumstances shall be sufficient (together with any other moneys held by the Trustee under the Indenture and available therefor) to pay the principal of all the Tax-Exempt Bonds to be redeemed or retired and the premium, if any, thereon, together with interest accrued or to accrue to the redemption date on such Tax-Exempt Bonds.

21. The Tax-Exempt Bonds will mature not less than one year from the first day of the month of issuance nor later than 40 years from the date of issuance. Tax-Exempt Bonds will be subject to optional redemption, at the direction of EAI, in whole or in part, at the redemption prices (expressed as percentages of principal amount) plus accrued interest to the redemption date, and at the times, set forth in the Indenture.

22. The Facilities Agreement and the Indenture may provide for a fixed interest rate or for an adjustable interest rate for each series of Tax-Exempt Bonds as hereinafter described. No series of Tax-Exempt Bonds will be sold if the fixed interest rate or initial adjustable rate thereon would exceed the maximum interest rate permitted by applicable law. If the series of Tax-Exempt Bonds has an adjustable interest rate, the interest rate during the initial Rate Period would be determined in discussions between EAI and the purchasers thereof from the Issuer and would be based on the current market rate for comparable Tax-Exempt Bonds having a maturity comparable to the length of the initial Rate Period. Thereafter, for each subsequent Rate Period, the interest rate on such Tax-Exempt Bonds would be that rate (subject to a specified maximum rate) which will be sufficient to permit the remarketing of Tax-Exempt Bonds of such series at their principal amount. Such interest rates would be determined based on the market rates for Tax-Exempt Bonds of comparable maturity and quality. The following subparagraphs (a) through (d) relate to Tax-Exempt Bonds having an adjustable interest rate:

(a) The term "Rate Period," as used herein, means a period during which the interest rate on such Tax-Exempt Bonds bearing an adjustable rate (or method of determination of such interest rate) is fixed. The initial Rate Period would commence on the date as of which interest begins to accrue on such Tax-Exempt Bonds. The length of each Rate Period would be not less than one day nor more than the remaining term to maturity of the Tax-Exempt Bonds.

(b) The Facilities Agreement and Indenture would provide that holders of Tax-Exempt Bonds would have the right to tender or would be required to tender their Tax-Exempt Bonds and have the bonds purchased at a price equal to the principal amount thereof, plus any accrued and unpaid interest thereon, on dates specified in, or established in accordance with, the Indenture. A Tender Agent may be appointed to facilitate the tender of any Tax-Exempt Bonds by holders. Any holders of Tax-Exempt Bonds wishing to have their Tax-Exempt Bonds purchased may be required to deliver their Tax-Exempt Bonds during a specified period of time preceding such purchase date to the Tender Agent, if one shall be appointed, or to the Remarketing Agent appointed to offer such tendered Tax-Exempt Bonds for sale.

(c) The Facilities Agreement would obligate EAI to pay amounts equal to the amounts to be paid by the Remarketing Agent or the Tender Agent pursuant to the Indenture for the purchase of Tax-Exempt Bonds as tendered by holders. Such amounts shall be paid by the Company on the dates payments by the Remarketing Agent or the Tender Agent are to be

made. However, the obligation of EAI to make any such payment under the Agreement would be reduced by the amount of any other moneys available therefor, including the proceeds of the sale of such tendered Tax-Exempt Bonds by the Remarketing Agent.

(d) Upon the delivery of such Tax-Exempt Bonds by holders to the Remarketing Agent or the Tender Agent for purchase, the Remarketing Agent would use its best efforts to sell such Tax-Exempt Bonds at a price equal to the stated principal amount of such Tax-Exempt Bonds.

23. In order to obtain a more favorable rating on one or more series of the Tax-Exempt Bonds, and, thereby improve the marketability thereof, EAI may arrange for an irrevocable letter of credit from a bank (the "Bank") in favor of the Trustee. In such event, payments with respect to principal, premium, if any, interest, and purchase obligations in connection with any such Tax-Exempt Bonds coming due during the term of such letter of credit would be secured by, and payable from funds drawn under, the letter of credit. In order to induce the Bank to issue such letter of credit, the Company would enter into a Letter of Credit and Reimbursement Agreement ("Reimbursement Agreement") with the Bank pursuant to which EAI would agree to reimburse the Bank for all amounts drawn under such letter of credit within a specified period after the date of the draw and with interest thereon. The terms of the Reimbursement Agreement would correspond to the terms of the Letter of Credit.

24. It is anticipated that the Reimbursement Agreement would require the payment by EAI to the Bank of annual letter-of-credit fees and perhaps an up-front fee. Any such letter of credit may expire or be terminated prior to the maturity date of any such Tax-Exempt Bonds, and, in connection with such expiration or termination, such Tax-Exempt Bonds may be made subject to mandatory redemption or purchase on or prior to the date of expiration or termination of the Letter of Credit, possibly subject to the right of owners of such Tax-Exempt Bonds not to have their Tax-Exempt Bonds redeemed or purchased. Provision may be made for extension of the term of the Letter of Credit or for the replacement thereof, upon its expiration or termination, by another letter of credit from the Bank or a different bank.

25. In addition, or as an alternative, to the security provided by a letter of credit, in order to obtain a more favorable rating on one or more series of Tax-Exempt Bonds, and consequently improve the marketability thereof, EAI may determine (a) to provide an insurance policy for the payment of the principal of and/or premium and/or interest on such Tax-Exempt Bonds, and/or (b) to provide security for holders of such Tax-Exempt Bonds and/or the Bank equivalent to the security afforded to holders of first mortgage bonds outstanding under the Company's Mortgage by obtaining the authentication of and pledging one or more new series of EAI's First Mortgage Bonds ("Collateral Bonds") under the Mortgage as it may be supplemented.

26. Collateral Bonds would be issued on the basis of unfunded net property additions and/or previously-retired first mortgage bonds, and would be delivered to the Trustee under the Indenture and/or to the Bank in order to evidence and secure EAI's obligation to pay the purchase price of the related Facilities or repay the loan made by the Issuer under the Facilities Agreement, and/or in order to evidence and secure the Company's obligation to reimburse the Bank under the Reimbursement Agreement. Collateral Bonds could be issued in several ways. First, if the Tax-Exempt Bonds bear a fixed interest rate, Collateral Bonds could be issued in a principal amount equal to the principal amount of such Tax-Exempt Bonds and bear interest at a rate equal to the rate of interest on such Tax-Exempt Bonds. Second, they could be issued in a principal amount equivalent to the principal amount of such Tax-Exempt Bonds plus an amount equal to interest thereon for a specified period. In such a case, such Collateral Bonds would bear no interest. Third, Collateral Bonds could be issued in a principal amount equivalent to the principal amount of such Tax-Exempt Bonds or in such amount plus an amount equal to interest thereon for a specified period, but carry a fixed interest rate that would be lower than the fixed rate of such Tax-Exempt Bonds. Fourth, Collateral Bonds could be issued in a principal amount equivalent to the principal amount of such Tax-Exempt Bonds at an adjustable rate of interest, varying with the rate of such Tax-Exempt Bonds but having a "cap" above which the interest on Collateral Bonds could not rise. The terms of any Collateral Bonds relating to maturity, interest payment dates, if any, redemption provisions, and acceleration will correspond to the terms of the related Tax-Exempt Bonds. Upon issuance, the terms of any Collateral Bonds

will not vary during the life of such series, except for the interest rate in the event such Collateral Bonds bear interest at an adjustable rate. The maximum aggregate principal amount of Collateral Bonds shall be \$400 million (which \$400 million of Collateral Bonds is not included in the \$800 million of Bonds for which authorization is sought pursuant to Section I above).

27. In one or more Facilities Agreements, EAI may grant, or promise to grant in the future, a subordinated lien on some or all of its property, or some other form of collateral, to the Trustee under the Indenture for that series of Tax-Exempt Bonds to provide security for the Company's obligation under the Facilities Agreements.

28. It is contemplated that the Tax-Exempt Bonds will be sold by the Issuer pursuant to arrangements with an underwriter or a group of underwriters or by private placement in a negotiated sale or sales. EAI will not be a party to the underwriting or placement arrangements. However, the Facilities Agreement will provide that the terms of the Tax-Exempt Bonds, and their sale by the Issuer, shall be satisfactory to the Company. EAI expects that interest payable on the Tax-Exempt Bonds will not be includable in the gross income of the holders thereof for Federal income tax purposes under the provisions of Section 103 of the Internal Revenue Code of 1986, as amended to the date of issuance of Tax-Exempt Bonds (except for interest on any Tax-Exempt Bond during a period in which it is held by a person who is a "substantial user" of the Facilities or a "related person" within the meaning of Section 147(a) of such Code). EAI also

expects that interest payable on the Tax-Exempt Bonds will not be includable in the gross income of the holders thereof for Arkansas income tax purposes under Ark. Code Ann. § 14-267-112.

V. GENERAL INFORMATION

29. The Company's Application, together with the financing plan proposed herein, was approved by the Company's Board of Directors by unanimous written consent effective as of June 15, 2009. Excerpts from the consent setting forth the resolutions approving the Application and the financing plan are attached hereto as EAI Exhibit B.

30. EAI estimates its aggregate expenses in connection with the issuance and sale of the initial series and any subsequent series of the First Mortgage Bonds, and the Preferred Stock, the Common Stock, and the Tax-Exempt Bonds and Collateral Bonds will be as reflected in EAI Exhibit C attached hereto.

31. EAI states that after the issuance of the First Mortgage Bonds, the Preferred Stock, the Common Stock and Tax-Exempt Bonds, the aggregate amount of all of its outstanding stock, bonds, notes and other evidences of indebtedness will not exceed the fair value of EAI's properties and the reasonable cost of the issuance and sale of the First Mortgage Bonds, the Preferred Stock, the Common Stock and the Tax-Exempt Bonds.

32. Attached hereto is EAI Exhibit D, consisting of the following:
- (1) Balance Sheet per books as of March 31, 2009, and Pro Forma after giving effect to the proposed transactions.
 - (2) Earnings Statement for the 12 months ended March 31, 2009, per books, and Pro Forma after giving effect to the proposed transactions.
 - (3) Detail of Long-term Debt as of March 31, 2009, and Pro Forma after giving effect to the proposed transactions.

33. In Order No. 2, as affirmed in Order No. 3, in Docket No. 06-096-U, the APSC provided EAI with a three-year authorization subject to the restrictions and limits in the Company's application. EAI requests in this current application the continuation of a three-year financing period to facilitate its long-range planning and to achieve the administrative efficiency of a three-year term.

34. In order to take advantage of favorable capital market conditions, it is essential that EAI be able to proceed with the authority requested herein when presented with opportunities to enhance its financial flexibility and/or reduce its capital cost. EAI's financing transactions described herein must also be approved by the TRA which usually will not act on EAI's Application filed with the TRA until the APSC has approved this Application. A final order from the TRA approving EAI's Application would not become effective until 60 days after issuance. Therefore, EAI requests that the Commission consider and act on this Application expeditiously and enter an order on or before September 15, 2009.

35. EAI requests that the following individuals be shown on the service list of this Docket:

Steve Strickland
Vice President, Regulatory Affairs
Entergy Arkansas, Inc.
P. O. Box 551
Little Rock, Arkansas 72203
Telephone: (501) 377-4457

Paul Benham
Friday, Eldredge & Clark, LLP
400 West Capitol Avenue, Suite 2000
Little Rock, Arkansas 72201
Telephone: (501)370-1517

WHEREFORE, ENTERGY ARKANSAS, INC. respectfully requests that the Commission enter its order on or before September 15, 2009:

(a) authorizing the Company to issue and sell in one or more series, from time to time not earlier than January 1, 2010, and not later December 31, 2012, in each case in a manner described herein: (i) First Mortgage Bonds in an aggregate principal amount not to exceed \$800 million, which includes the Company's outstanding First Mortgage Bonds that mature or could possibly be economically refunded over the next three years (\$400 million) and an additional amount of \$400 million of First Mortgage Bonds to provide flexibility under special circumstances, such as emergency restoration.; (ii) Preferred Stock, in an aggregate par value or involuntary liquidation value, as the case may be, not to exceed \$120 million; (iii) Common Stock, not to exceed 16,000,000 shares, at a

minimum price of \$12.50 per share, for an aggregate maximum consideration of \$200 million; and (iv) Tax-Exempt Bonds in an aggregate principal amount not to exceed \$350 million, and Collateral Bonds in an aggregate principal amount not to exceed \$400 million (separate and apart from the authorization requested herein relating to the issuance and sale of First Mortgage Bonds); and, in connection therewith, the Company requests authorization to enter into the Facilities Agreement related thereto as contemplated hereby;

(b) authorizing the Company to apply the proceeds from the sale of the First Mortgage Bonds, the Preferred Stock, the Common Stock and the Tax-Exempt Bonds for the purposes set forth herein;

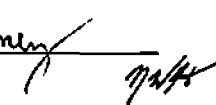
(c) authorizing the Company to take all other action and to enter into all other agreements necessary therefore, and

(d) granting all other proper relief.

Dated this 10th day of July, 2009.

Respectfully submitted,

ENTERGY ARKANSAS, INC.

By: Tucker Raney 

Tucker Raney
Assistant General Counsel
Entergy Services, Inc.
P. O. Box 551
Little Rock, AR 72203
Telephone: (501) 377-4372

Paul Benham
Friday, Eldredge & Clark, LLP
400 West Capitol Avenue, Suite 2000
Little Rock, Arkansas 72201
Telephone: (501) 370-1517

ATTORNEYS FOR ENTERGY
ARKANSAS, Inc.

CERTIFICATE OF SERVICE

I, Tucker Raney, do hereby certify that a copy of the foregoing has been served upon all parties of record this 10th day of July 2009.

Tucker Raney
Tucker Raney 7/10/09

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)
OF ENTERGY ARKANSAS, INC. FOR)
AUTHORIZATION TO ENTER INTO)
CERTAIN FINANCING TRANSACTIONS)
BETWEEN JANUARY 1, 2010, AND)
DECEMBER 31, 2012)

DOCKET NO. 09-068-U

EAI EXHIBIT A
FORM OF SUPPLEMENTAL INDENTURE

ENTERGY ARKANSAS, INC.
TO
DEUTSCHE BANK TRUST COMPANY AMERICAS
(successor to Guaranty Trust Company of New York)

(successor to Henry A. Theis)

(as to property, real or personal, situated or being in Missouri)

(successor to Marvin A. Mueller)

SUPPLEMENTAL INDENTURE

Dated as of _____, 20__

SUPPLEMENTAL INDENTURE

INDENTURE, dated as of __, 20__, between ENTERGY ARKANSAS, INC., a corporation of the State of Arkansas, whose post office address is 425 West Capitol, Little Rock, Arkansas 72201 (hereinafter sometimes called the "Company"), and DEUTSCHE BANK TRUST COMPANY AMERICAS (successor to Guaranty Trust Company of New York), a New York banking corporation, whose post office address is 60 Wall Street, New York, New York 10005 (hereinafter sometimes called the "Corporate Trustee"), and STANLEY BURG (successor to Henry A. Theis) (hereinafter sometimes called the "Co-Trustee"), and (as to property, real or personal, situated or being in Missouri) THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION (successor to Marvin A. Mueller), whose mailing address is 10161 Centurion Parkway, Jacksonville, Florida 32256 (said The Bank of New York Mellon Trust Company, National Association being hereinafter sometimes called the "Missouri Co-Trustee" and the Corporate Trustee, the Co-Trustee and the Missouri Co-Trustee being hereinafter together sometimes called the "Trustees"), as Trustees under the Mortgage and Deed of Trust, dated as of October 1, 1944 (hereinafter sometimes called the "Mortgage"), which Mortgage was executed and delivered by the Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, reference to which Mortgage is hereby made, this indenture (hereinafter called the "Supplemental Indenture") being supplemental thereto.

WHEREAS, the Mortgage was appropriately filed or recorded in various official records in the States of Arkansas, Missouri, Tennessee and Wyoming; and

WHEREAS, an instrument, dated as of July 7, 1949, was executed by the Company appointing Herbert E. Twyeffort as Co-Trustee in succession to Henry A. Theis (resigned) under the Mortgage, and by Herbert E. Twyeffort accepting said appointment, and said instrument was appropriately filed or recorded in various official records in the States of Arkansas, Missouri, Tennessee and Wyoming; and

WHEREAS, an instrument, dated as of March 1, 1960, was executed by the Company appointing Grainger S. Greene as Co-Trustee in succession to Herbert E. Twyeffort (resigned) under the Mortgage, and by Grainger S. Greene accepting said appointment, and said instrument was appropriately filed or recorded in various official records in the States of Arkansas, Missouri, Tennessee and Wyoming; and

WHEREAS, by the Twenty-first Supplemental Indenture mentioned below, the Company, among other things, appointed John W. Flaherty as Co-Trustee in succession to Grainger S. Greene (resigned) under the Mortgage, and John W. Flaherty accepted said appointment; and

WHEREAS, by the Thirty-third Supplemental Indenture mentioned below, the Company, among other things, appointed Marvin A. Mueller as Missouri Co-Trustee under the Mortgage, and Marvin A. Mueller accepted said appointment; and

WHEREAS, by the Thirty-fifth Supplemental Indenture mentioned below, the Company, among other things, appointed The Boatmen's National Bank of St. Louis as Missouri Co-Trustee in succession to Marvin A. Mueller (resigned) under the Mortgage, and The Boatmen's National Bank of St. Louis accepted said appointment; and

WHEREAS, an instrument, dated as of September 1, 1994, was executed by the Company appointing Bankers Trust Company as Trustee, and Stanley Burg as Co-Trustee, in succession to Morgan Guaranty Trust Company of New York (resigned) and John W. Flaherty (resigned), respectively, under the Mortgage and Bankers Trust Company and Stanley Burg accepted said appointments, and said instrument was appropriately filed or recorded in various official records in the States of Arkansas, Missouri, Tennessee and Wyoming; and

WHEREAS, by the Fifty-fifth Supplemental Indenture mentioned below, the Company, among other things, appointed Peter D. Van Cleve as Missouri Co-Trustee in succession to The Boatmen's National Bank of St. Louis (resigned) under the Mortgage, and Peter D. Van Cleve accepted said appointment; and

WHEREAS, by an instrument, dated as of May 31, 2000, the Company appointed BNY Trust Company of Missouri as Missouri Co-Trustee in succession to Peter D. Van Cleve (resigned) under the Mortgage, and BNY Trust Company of Missouri accepted said appointment, and said instrument was appropriately filed or recorded in various official records in the State of Missouri; and

WHEREAS, by an instrument, dated as of April 15, 2002, filed with the Banking Department of the State of New York, Bankers Trust Company, Trustee, effected a corporate name change pursuant to which, effective such date, it is known as Deutsche Bank Trust Company Americas; and

WHEREAS, by an instrument dated November 1, 2004, filed with the Office of the Comptroller of the Currency in Colorado, BNY Trust Company of Missouri merged into BNY Missouri Interim Trust Company, National Association, and by an instrument dated November 1, 2004, filed with the Office of the Comptroller of the Currency in Colorado, BNY Missouri Interim Trust Company, National Association, merged into The Bank of New York Trust Company, National Association; and

WHEREAS, by the Sixty-third Supplemental Indenture mentioned below, the Company, the Corporate Trustee, Stanley Burg as Co-Trustee, and The Bank of New York Trust Company, National Association, as Missouri Co-Trustee, appointed Jeffrey Schroeder to serve as a Missouri Co-Trustee under the Mortgage, and Jeffrey Schroeder accepted such appointment; and

WHEREAS, by an instrument effective as of February 28, 2005, Jeffrey Schroeder resigned as a Missouri Co-Trustee; and

WHEREAS, effective July 1, 2008, The Bank of New York Trust Company, National Association changed its name to The Bank of New York Mellon Trust Company, National Association; and

WHEREAS, by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired and intended to be subject to the lien thereof; and

WHEREAS, the Company executed and delivered to the Trustees the following supplemental indentures:

<u>Designation</u>	<u>Dated as of</u>
First Supplemental Indenture	July 1, 1947
Second Supplemental Indenture	August 1, 1948
Third Supplemental Indenture	October 1, 1949
Fourth Supplemental Indenture	June 1, 1950
Fifth Supplemental Indenture	October 1, 1951
Sixth Supplemental Indenture	September 1, 1952
Seventh Supplemental Indenture	June 1, 1953
Eighth Supplemental Indenture	August 1, 1954
Ninth Supplemental Indenture	April 1, 1955
Tenth Supplemental Indenture	December 1, 1959
Eleventh Supplemental Indenture	May 1, 1961
Twelfth Supplemental Indenture	February 1, 1963
Thirteenth Supplemental Indenture	April 1, 1965
Fourteenth Supplemental Indenture	March 1, 1966
Fifteenth Supplemental Indenture	March 1, 1967
Sixteenth Supplemental Indenture	April 1, 1968
Seventeenth Supplemental Indenture	June 1, 1968
Eighteenth Supplemental Indenture	December 1, 1969
Nineteenth Supplemental Indenture	August 1, 1970
Twentieth Supplemental Indenture	March 1, 1971
Twenty-first Supplemental Indenture	August 1, 1971
Twenty-second Supplemental Indenture	April 1, 1972
Twenty-third Supplemental Indenture	December 1, 1972
Twenty-fourth Supplemental Indenture	June 1, 1973
Twenty-fifth Supplemental Indenture	December 1, 1973
Twenty-sixth Supplemental Indenture	June 1, 1974
Twenty-seventh Supplemental Indenture	November 1, 1974
Twenty-eighth Supplemental Indenture	July 1, 1975
Twenty-ninth Supplemental Indenture	December 1, 1977

Thirtieth Supplemental Indenture	July 1, 1978
Thirty-first Supplemental Indenture	February 1, 1979
Thirty-second Supplemental Indenture	December 1, 1980
Thirty-third Supplemental Indenture	January 1, 1981
Thirty-fourth Supplemental Indenture	August 1, 1981
Thirty-fifth Supplemental Indenture	February 1, 1982
Thirty-sixth Supplemental Indenture	December 1, 1982
Thirty-seventh Supplemental Indenture	February 1, 1983
Thirty-eighth Supplemental Indenture	December 1, 1984
Thirty-ninth Supplemental Indenture	December 1, 1985
Fortieth Supplemental Indenture	July 1, 1986
Forty-first Supplemental Indenture	July 1, 1989
Forty-second Supplemental Indenture	February 1, 1990
Forty-third Supplemental Indenture	October 1, 1990
Forty-fourth Supplemental Indenture	November 1, 1990
Forty-fifth Supplemental Indenture	January 1, 1991
Forty-sixth Supplemental Indenture	August 1, 1992
Forty-seventh Supplemental Indenture	November 1, 1992
Forty-eighth Supplemental Indenture	June 15, 1993
Forty-ninth Supplemental Indenture	August 1, 1993
Fiftieth Supplemental Indenture	October 1, 1993
Fifty-first Supplemental Indenture	October 1, 1993
Fifty-second Supplemental Indenture	June 15, 1994
Fifty-third Supplemental Indenture	March 1, 1996
Fifty-fourth Supplemental Indenture	March 1, 1997
Fifty-fifth Supplemental Indenture	March 1, 2000
Fifty-sixth Supplemental Indenture	July 1, 2001
Fifty-seventh Supplemental Indenture	March 1, 2002
Fifty-eighth Supplemental Indenture	November 1, 2002
Fifty-ninth Supplemental Indenture	May 1, 2003
Sixtieth Supplemental Indenture	June 1, 2003
Sixty-first Supplemental Indenture	June 15, 2003
Sixty-second Supplemental Indenture	October 1, 2004
Sixty-third Supplemental Indenture	January 1, 2005
Sixty-fourth Supplemental Indenture	March 1, 2005
Sixty-fifth Supplemental Indenture	May 1, 2005
Sixty-sixth Supplemental Indenture	June 1, 2006
Sixty-seventh Supplemental Indenture	July 1, 2008
Sixty-eighth Supplemental Indenture	November 1, 2008

which supplemental indentures were appropriately filed or recorded in various official records in the States of Arkansas, Missouri, Louisiana, Tennessee, and Wyoming, as applicable; and

WHEREAS, in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS, the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, the following series of First Mortgage Bonds:

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
3 1/8% Series due 1974	\$30,000,000	None
2 7/8% Series due 1977	11,000,000	None
3 1/8% Series due 1978	7,500,000	None
2 7/8% Series due 1979	8,700,000	None
2 7/8% Series due 1980	6,000,000	None
3 5/8% Series due 1981	8,000,000	None
3 1/2% Series due 1982	15,000,000	None
4 1/4% Series due 1983	18,000,000	None
3 1/4% Series due 1984	7,500,000	None
3 3/8% Series due 1985	18,000,000	None
5 5/8% Series due 1989	15,000,000	None
4 7/8% Series due 1991	12,000,000	None
4 3/8% Series due 1993	15,000,000	None
4 5/8% Series due 1995	25,000,000	None
5 3/4% Series due 1996	25,000,000	None
5 7/8% Series due 1997	30,000,000	None
7 3/8% Series due 1998	15,000,000	None
9 1/4% Series due 1999	25,000,000	None
9 5/8% Series due 2000	25,000,000	None
7 5/8% Series due 2001	30,000,000	None
8% Series due August 1, 2001	30,000,000	None
7 3/4% Series due 2002	35,000,000	None
7 1/2% Series due December 1, 2002	15,000,000	None
8% Series due 2003	40,000,000	None
8 1/8% Series due December 1, 2003	40,000,000	None
10 1/2% Series due 2004	40,000,000	None
9 1/4% Series due November 1, 1981	60,000,000	None
10 1/8% Series due July 1, 2005	40,000,000	None
9 1/8% Series due December 1, 2007	75,000,000	None
9 7/8% Series due July 1, 2008	75,000,000	None
10 1/4% Series due February 1, 2009	60,000,000	None
16 1/8% Series due December 1, 1986	70,000,000	None
4 1/2% Series due September 1, 1983	1,202,000	None
5 1/2% Series due January 1, 1988	598,310	None

5 5/8% Series due May 1, 1990	1,400,000	None
6 1/4% Series due December 1, 1996	3,560,000	None
9 3/4% Series due September 1, 2000	4,600,000	None
8 3/4% Series due March 1, 1998	9,800,000	None
17 3/8% Series due August 1, 1988	75,000,000	None
16 1/2% Series due February 1, 1991	80,000,000	None
13 3/8% Series due December 1, 2012	75,000,000	None
13 1/4% Series due February 1, 2013	25,000,000	None
14 1/8% Series due December 1, 2014	100,000,000	None
Pollution Control Series A	128,800,000	None
10 1/4% Series due July 1, 2016	50,000,000	None
9 3/4% Series due July 1, 2019	75,000,000	None
10% Series due February 1, 2020	150,000,000	None
10 3/8% Series due October 1, 2020	175,000,000	None
Solid Waste Disposal Series A	21,066,667	None
Solid Waste Disposal Series B	28,440,000	None
7 1/2% Series due August 1, 2007	100,000,000	None
7.90% Series due November 1, 2002	25,000,000	None
8.70% Series due November 1, 2022	25,000,000	None
Pollution Control Series B	46,875,000	None
6.65% Series due August 1, 2005	115,000,000	None
6% Series due October 1, 2003	155,000,000	None
7% Series due October 1, 2023	175,000,000	None
Pollution Control Series C	20,319,000	\$20,319,000
Pollution Control Series D	9,586,400	None
8 3/4% Series due March 1, 2026	85,000,000	None
7% Series due March 1, 2002	85,000,000	None
7.72% Series due March 1, 2003	100,000,000	None
6 1/8% Series due July 1, 2005	100,000,000	None
6.70% Series due April 1, 2032	100,000,000	100,000,000
6.00% Series due November 1, 2032	100,000,000	100,000,000
5.40% Series due May 1, 2018	150,000,000	150,000,000
5.90% Series due June 1, 2033	100,000,000	100,000,000
5% Series due July 1, 2018	115,000,000	115,000,000
6.38% Series due November 1, 2034	60,000,000	60,000,000
5.66% Series due February 1, 2025	175,000,000	175,000,000
5% Pollution Control Series E	45,000,000	45,000,000
4.50% Series due June 1, 2010	100,000,000	100,000,000
Pollution Control Series F	56,378,000	56,378,000
5.4% Series due July 1, 2013	300,000,000	300,000,000

which bonds are also hereinafter sometimes called bonds of the First through Seventy-fourth Series, respectively; and

WHEREAS, Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS, the Company now desires to create a new series of bonds, hereinafter referred to as bonds of the _____ Series, unless the context otherwise requires, and (pursuant to the provisions of Section 120 of the Mortgage) to add to its covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented; and

WHEREAS, the execution and delivery by the Company of this _____ Supplemental Indenture, and the terms of the bonds of the _____ Series, have been duly authorized by the Board of Directors of the Company by appropriate Resolutions of said Board of Directors.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modifications made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases,

conveys, assigns, transfers, mortgages, hypothecates, affects, pledges, sets over and confirms (subject, however, to Expected Encumbrances as defined in Section 6 of the Mortgage) unto The Bank of New York Mellon Trust Company, National Association (as to property, real or personal, situated or being in Missouri) and Stanley Burg (but, as to property, real or personal, situated or being in Missouri, only to the extent of his legal capacity to hold the same for the purposes hereof) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Deutsche Bank Trust Company Americas, as Trustees under the Mortgage, and to their successor or successors in said trust, and to them and their successors and assigns forever, all property, real, personal or mixed, of any kind or nature acquired by the Company after the date of the execution and delivery of the Mortgage (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned or, subject to the provisions of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Supplemental Indenture) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto; all street and interurban railway and transportation lines and systems, terminal systems and facilities; all bridges, culverts, tracks, railways, sidings, spurs, wyes, roadbeds, trestles and viaducts; all overground and underground trolleys and feeder wires; all telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof, all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid

property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of Section 87 of the Mortgage, all the property, rights and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage and as fully embraced within the lien hereof and the lien of the Mortgage, as heretofore supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

PROVIDED THAT the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this _____ Supplemental Indenture and from the lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business or for the purpose of repairing or replacing (in whole or in part) any street cars, rolling stock, trolley coaches, motor coaches, buses, automobiles or other vehicles or aircraft, and fuel, oil and similar materials and supplies consumable in the operation of any properties of the Company; street cars, rolling stock, trolley coaches, motor coaches, buses, automobiles and other vehicles and all aircraft; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as heretofore supplemented, or covenanted so to be; the Company's contractual rights or other interest in or with respect to tires not owned by the Company; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the lien of the Mortgage; (5) electric energy, gas, ice, and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties; (6) the Company's franchise to be a corporation; (7) the properties heretofore sold or in the process of being sold by the Company and heretofore released from the Mortgage and Deed of Trust dated as of October 1, 1926 from Arkansas Power & Light Company to Guaranty Trust Company of New York, trustee, and specifically described in a release instrument executed by Guaranty Trust Company of New York, as trustee, dated October 13, 1938, which release has heretofore been delivered by the said trustee to the Company and recorded by the Company in the office of the Recorder for Garland County, Arkansas, in

Record Book 227, Page 1, all of said properties being located in Garland County, Arkansas; and (8) any property heretofore released pursuant to any provisions of the Mortgage and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the lien and operation of the Mortgage, as heretofore supplemented, and this _____ Supplemental Indenture in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that any or all of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto The Bank of New York Mellon Trust Company, National Association (as to property, real or personal, situated or being in Missouri), and unto Stanley Burg (but, as to property, real or personal, situated or being in Missouri, only to the extent of his legal capacity to hold the same for the purposes hereof) and (to the extent of its legal capacity to hold the same for the purposes hereof) unto Deutsche Bank Trust Company Americas, as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this _____ Supplemental Indenture being supplemental to the Mortgage.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of the Company and Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust in the same manner and with the same effect as if said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees, by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successors in said trust under the Mortgage, as follows:

I.

_____ SERIES OF BONDS

1. There shall be a series of bonds designated "_____% Series due _____, 20__" (herein sometimes called the "____ Series"), each of which shall also bear

the descriptive title "First Mortgage Bond", and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the _____ Series (which shall be initially issued in the aggregate principal amount of \$ _____) shall mature on _____, 20____, shall be issued as fully registered bonds in the denomination of _____ Dollars and such other denominations as the officers of the Company shall determine to issue (such determination to be evidenced by the execution and delivery thereof), shall bear interest at the rate of _____% per annum, the first interest payment to be made on _____, 20____, for the period from _____, 20____ to _____, 20____ with subsequent interest payments payable _____ on _____ and _____ of each year (each an "Interest Payment Date"), shall be dated as in Section 10 of the Mortgage provided, and the principal of, and to the extent permitted by the Mortgage, interest on any overdue principal of, each said bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

Interest on the bonds of the _____ Series will be computed on the basis of a 360-day year of twelve 30-day months. In any case where any Interest Payment Date, redemption date or maturity of any bond of the _____ Series shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect, and in the same amount, as if made on the corresponding Interest Payment Date or redemption date, or at maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, redemption date or maturity, as the case may be, to such Business Day. "Business Day" means any day, other than a Saturday or a Sunday, or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or a day on which the corporate trust office of the Corporate Trustee (hereinafter defined) is closed for business.

So long as all of the bonds of the _____ Series are held by The Depository Trust Company or its nominee, or a successor thereof, the record date for the payment of interest on the bonds of the _____ Series shall be the Business Day immediately preceding the corresponding Interest Payment Date; provided, however, that the record date for the payment of interest which is paid after such Interest Payment Date, shall be the Business Day immediately preceding the date on which such interest is paid. Interest on the bonds of the _____ Series shall be paid to the Person in whose name such bonds of the _____ Series are registered at the close of business on the record date for the corresponding Interest Payment Date.

(I) Form of Bonds of the _____ Series.

The Bonds of the _____ Series, and the Corporate Trustee's authentication certificate to be executed on the Bonds of the _____ Series, shall be in substantially the following forms, respectively:

[FORM OF FACE OF BOND OF THE _____ SERIES]

[depository legend]

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

(TEMPORARY REGISTERED BOND)

No.TR- _____
\$ _____

CUSIP _____

ENTERGY ARKANSAS, INC.
FIRST MORTGAGE BOND, _____ % SERIES
DUE _____, 20____

ENTERGY ARKANSAS, INC., a corporation of the State of Arkansas (hereinafter called the Company), for value received, hereby promises to pay to or registered assigns, on _____, 20____ at the office or agency of the Company in the Borough of Manhattan, The City of New York,

_____ DOLLARS

in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay to the registered owner hereof interest thereon from _____, 20____, if the date of this bond is prior to _____, 20____ or if the date of this bond is on or after _____, 20____, from the _____ or _____ next preceding the date of this bond to which interest has been paid (unless the date hereof is an interest payment date to which interest has been paid, in which case from the date hereof), at the rate of _____ % per annum in like coin or currency at said office or agency on _____ and _____ of each year, commencing _____, 20____, until the principal of this bond shall have become due and payable, and to pay interest on any overdue principal and (to the extent that payment of such interest is enforceable

under the applicable law) on any overdue installment of interest at the rate of 6% per annum. So long as this bond is held by The Depository Trust Company or its nominee, or a successor thereof, the record date for the payment of interest hereon shall be the Business Day (as defined in the _____ Supplemental Indenture referred to below) immediately preceding the date on which interest is due; provided, however, that the record date for the payment of interest which is paid after the date on which such interest is due, shall be the Business Day immediately preceding the date on which such interest is paid. Interest hereon shall be paid to the Person in whose name this bond is registered at the close of business on the record date for the payment of such interest. If any interest payment date for this bond falls on a day that is not a Business Day, the payment of interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such interest payment date. If the maturity date or any redemption date of this bond falls on a day that is not a Business Day, the payment of principal and interest (to the extent payable with respect to the principal being redeemed if on a redemption date) will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after the maturity date or such redemption date.

This bond is a temporary bond and is one of an issue of bonds of the Company issuable in series and is one of a series known as its First Mortgage Bonds, _____% Series due _____, 20__, all bonds of all series issued and to be issued under and equally secured (except insofar as any sinking or other fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust (herein, together with any indenture supplemental thereto, including the _____ Supplemental Indenture dated as of _____, 20__, called the Mortgage), dated as of October 1, 1944, executed by the Company to Guaranty Trust Company of New York (Deutsche Bank Trust Company Americas, successor) (herein sometimes called the "Corporate Trustee") and Henry A. Theis (Stanley Burg, successor) and, as to property, real or personal, situated or being in Missouri, Marvin A. Mueller (The Bank of New York Mellon Trust Company, National Association, successor), as Trustees. Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Trustees in respect thereof, the duties and immunities of the Trustees and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the bonds and/or coupons and/or the terms and provisions of the Mortgage may be modified or altered by such affirmative vote or votes of the holders of bonds then outstanding as are specified in the Mortgage.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a default as in the Mortgage provided.

In the manner prescribed in the Mortgage, this bond is transferable by the registered owner hereof in person, or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, together with a written instrument of transfer duly executed by the registered owner or by his duly authorized attorney, and thereupon a new fully registered temporary or definitive bond of the same series for a like principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Trustees may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes and neither the Company nor the Trustees shall be affected by any notice to the contrary.

In the manner prescribed in the Mortgage, any bonds of this series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, are exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

In the manner prescribed in the Mortgage, this temporary bond is exchangeable at the office or agency of the Company in the Borough of Manhattan, The City of New York, without charge, for a definitive bond or bonds of the same series of a like aggregate principal amount when such definitive bonds are prepared and ready for delivery.

As provided in the Mortgage, the Company shall not be required to make transfers or exchanges of bonds of any series for a period of ten days next preceding any interest payment date for bonds of said series, or next preceding any designation of bonds of said series to be redeemed, and the Company shall not be required to make transfers or exchanges of any bonds designated in whole or in part for redemption.

The bonds of this series are subject to redemption as provided in the _____ Supplemental Indenture.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

This bond shall be construed in accordance with and governed by the laws of the State of New York.

This bond shall not become obligatory until Deutsche Bank Trust Company Americas, the Corporate Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

IN WITNESS WHEREOF, ENTERGY ARKANSAS, INC. has caused this bond to be signed in its corporate name by its President or one of its Vice Presidents by his/her signature or a facsimile thereof, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries, by his/her signature or a facsimile thereof, on _____, 20__

ENTERGY ARKANSAS, INC.

By: _____

Attest: _____

CORPORATE TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned Mortgage.

DEUTSCHE BANK TRUST COMPANY
AMERICAS,
as Corporate Trustee

By: _____
Authorized Officer

(II) The bonds of the Series shall [not] be redeemable at the option of the Company, in whole or in part, on not less than 30 days nor more than 60 days notice prior to the date fixed for redemption, at any time prior to maturity of the bonds of the _____ Series, at a redemption price equal to [insert prices or mechanism for determining prices at which redeemable, and related dates]].

(III) At the option of the registered owner, any bonds of the _____ Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the _____ Series shall be transferable, upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly executed by the registered owner or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the _____ Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of said Series.

Upon the delivery of this _____ Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage, as heretofore supplemented, there shall be an initial issue of bonds of the _____ Series for the aggregate principal amount of \$_____.

II.

MISCELLANEOUS PROVISIONS

1. The holders of the bonds of the _____ Series shall be deemed to have consented and agreed that the Company may, but shall not be obligated to, fix a record date for the purpose of determining the holders of the bonds of the _____ Series entitled to consent to any amendment or supplement to the Mortgage or the waiver of any provision thereof or any act to be performed thereunder. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.
2. Subject to the amendments provided for in this _____ Supplemental Indenture, the terms defined in the Mortgage and the First through _____ Supplemental Indentures shall, for all purposes of this _____ Supplemental Indenture, have the meanings specified in the Mortgage and the First through _____ Supplemental Indentures.
3. The Trustees hereby accept the trusts herein declared, provided, created or supplemented and agree to perform the same upon the terms and conditions herein and in the Mortgage and in the First through _____ Supplemental Indentures set forth and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this _____ Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVII of the Mortgage, as heretofore amended, shall apply to and form part of this _____ Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and

insertions, if any, as may be appropriate to make the same conform to the provisions of this _____ Supplemental Indenture.

4. Whenever in this _____ Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore amended, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this _____ Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustees, or any of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.
5. Nothing in this _____ Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy or claim under or by reason of this _____ Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises or agreements in this _____ Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons Outstanding under the Mortgage.
6. This _____ Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
7. This _____ Supplemental Indenture shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, ENTERGY ARKANSAS, INC. has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and DEUTSCHE BANK TRUST COMPANY AMERICAS has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by, one of its Vice Presidents or one of its Assistant Vice Presidents, and its corporate seal to be attested by one of its Associates for and in its behalf, and STANLEY BURG has hereunto set his hand and affixed his seal, and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION has caused its name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or one of its Assistant Vice Presidents, and its seal to be attested by one of its Assistant Secretaries or one of its Assistant Treasurers or one of its Assistant Vice Presidents for and in its behalf, as of the day and year first above written.

ENTERGY ARKANSAS, INC.

By: _____

Name:

Title:

Attest:

By: _____

Name:

Title:

Executed, sealed and delivered by
ENTERGY ARKANSAS, INC.
in the presence of:

Name:

Name:

DEUTSCHE BANK TRUST COMPANY
AMERICAS,
As Corporate Trustee

By: _____
Name:
Title:

Attest:

Name:

STANLEY BURG,
As Co-Trustee

_____ [L.S.]

Executed, sealed and delivered by
DEUTSCHE BANK TRUST COMPANY AMERICAS and
STANLEY BURG
in the presence of:

Name:

Name:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION,
As Co-Trustee as to property, real or
personal, situated
or being in Missouri

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

Executed, sealed and delivered by
THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION
in the presence of:

By: _____
Name:

By: _____
Name:

STATE OF LOUISIANA)
)
PARISH OF ORLEANS)

On this ____ day of _____, 20____, before me, _____, a Notary Public duly commissioned, qualified and acting within and for said Parish and State, appeared in person the within named _____ and _____, to me personally well known, who stated that they were the _____ and _____, respectively, of ENTERGY ARKANSAS, INC., a corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

On the _____ day of _____, 20____, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he/she resides in _____; that he/she is the of ENTERGY ARKANSAS, INC., one of the corporations described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like order.

On the _____ day of _____, 20____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he/she is the _____ of ENTERGY ARKANSAS, INC., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and he/she acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said Parish and State the day and year last above written.

By: _____
Name: _____
Notary Public No. _____
Parish of Orleans, State of Louisiana
My Commission is issued for Life.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this ____ day of _____, 20____, before me, _____, the undersigned, personally appeared, STANLEY BURG, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

On this _____ day of _____, 20____, before me personally appeared STANLEY BURG, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Name: _____
Notary Public, State of New York
No. _____
Qualified in _____ County
Commission Expires _____, 20____

STATE OF FLORIDA)
) SS.:
COUNTY OF DUVAL)

On this _____ day of _____, 20____, before me, _____, a Notary Public duly commissioned, qualified and acting within and for said county and state, appeared _____ and _____, to me personally known, who stated that they were a _____ and _____, respectively, of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, a National Association, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said Company; and further stated that they had so signed, executed and delivered the same for the consideration, uses and purposes therein mentioned and set forth.

On this _____ day of _____, 20____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did depose and say that he/she resides in _____; that he/she is a _____ of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, one of the entities described in and which executed the above instrument; that he/she knows the seal of said National Association; that the seal affixed to said instrument is such seal; that it was so affixed by authority of its Board of Directors, and that he/she signed his/her name thereto by like authority.

On this _____ day of _____, 20____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he/she resides in _____; that he/she is a _____ of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, and that the seal affixed to the foregoing instrument is the seal of said National Association, and that said instrument was signed and sealed on behalf of said National Association by authority of its Board of Directors, and he/she acknowledged said instrument to be the free act and deed of said entity.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said City and State the day and year last above written.

Name:
Notary Public, State of Florida
No. _____
Qualified in _____ County
Commission Expires _____, 20____

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)
OF ENTERGY ARKANSAS, INC. FOR)
AUTHORIZATION TO ENTER INTO)
CERTAIN FINANCING TRANSACTIONS)
BETWEEN JANUARY 1, 2010, AND)
DECEMBER 31, 2012)

DOCKET NO. 09-068-U

EAI EXHIBIT B

EXCERPT FROM UNANIMOUS CONSENT OF BOARD OF DIRECTORS

Entergy Arkansas, Inc.
Excerpt from the Unanimous Written Consent
of the Board of Directors
dated effective as of June 15, 2009

The undersigned, being all the Directors of Entergy Arkansas, Inc., an Arkansas corporation (the "Company"), do hereby waive all notice and the holding of a meeting, and pursuant to the provisions of Ark. Code Ann. § 4-27-821, do hereby take the following action without a meeting and consent to such action by our execution of this consent, intending it to have the same force and effect as a unanimous vote at a meeting:

RESOLVED. That subject to obtaining all requisite approvals, authorizations and consents, the Board of Directors hereby approves a new financing plan for the Company for the period January 1, 2010 through December 31, 2012, providing for (1) the issuance and sale by the Company, from time to time, of (a) one or more new series or sub-series of the Company's First Mortgage Bonds (the "Bonds") in a combined aggregate principal amount not to exceed \$800,000,000; (b) one or more new series of the Company's \$100 Preferred Stock, \$25 Preferred Stock or Class A Preferred Stock or any combination thereof (collectively, the "Preferred Stock") having an aggregate par and/or liquidation value not to exceed \$250,000,000; and (c) not in excess of 16,000,000 authorized but unissued additional shares of the Company's Common Stock, \$0.01 par value per share at a minimum per share price of \$12.50, which consideration the Board of Directors has determined is adequate, for an aggregate cash consideration not to exceed \$200,000,000, at such times and on such terms and conditions as the officers of the Company deem appropriate, subject to such further approvals of the Board of Directors and/or the Executive Committee as may be necessary or desirable; (2) the financing or refinancing, from time to time, of certain facilities, including but not limited to sewage and/or solid waste disposal or pollution control facilities regardless of whether such facilities have heretofore been the subject of such financing, to the greatest extent practicable, with the net proceeds of the issuance and sale of up to \$350,000,000 aggregate principal amount of tax-exempt bonds or notes (the "Tax-Exempt Bonds"), which may be secured by \$400,000,000 aggregate principal amount of the Company's first mortgage bonds, provided that the actual amount of such financing and structure of such arrangements shall be determined at a later date; (3) the renewal, extension or obtaining of new or replacement letters of credit or other credit facilities to support outstanding Tax-Exempt Bonds, and the purchase, redemption and/or remarketing of any such bonds, as provided for under existing arrangements and the fixing of interest rates or changing the interest rate determinations for any such bonds; (4) the negotiation and execution of any loan, reimbursement, pledge, guaranty or indemnity agreements to support the financings

contemplated in (1) through (3) above, (such financings being herein collectively referred to as the "New Financing Plan"); and (5) the acquisition (and retirement and cancellation), from time to time, by redemption (subject to any applicable mandatory or optional sinking fund provisions or not), tender offer, open market or negotiated purchases or otherwise, or refunding of all or a portion of one or more series of (a) the Company's outstanding First Mortgage Bonds, (b) the Company's outstanding Preferred Stock, (c) outstanding Tax-Exempt Bonds issued for the benefit of the Company, and/or (d) any other security heretofore or hereafter issued by the Company (the same being herein referred to collectively, as the "New Acquisition Program"), each and all with funds that are lawfully available for such purpose; and further

RESOLVED, That the officers of the Company, be, and each of them hereby is, subject to receipt of any necessary Board, Executive Committee or regulatory approvals and any contractual or legal restrictions, authorized and directed to implement the New Acquisition Program by effecting the retirement (by any methods or combination of methods specified in these resolutions) of any such outstanding First Mortgage Bonds, Tax-Exempt Bonds and any other security heretofore or hereafter issued by the Company as they, in their judgment, deem appropriate or desirable in the interests of the Company; and further

RESOLVED, That the officers of the Company be, and each of them hereby is, authorized to prepare, execute and file with the Arkansas Public Service Commission (the "APSC") and the Tennessee Regulatory Authority (the "TRA") applications and any and all amendments thereto together with any and all exhibits and other documents related thereto, as such officers may deem necessary or desirable for the purpose of obtaining the requisite authorizations of the APSC and the TRA for the New Financing Plan; and further

RESOLVED, That if any series of Bonds and/or the Preferred Stock is to be sold publicly, and is not otherwise the subject of a registration statement filed with the Securities and Exchange Commission (the "SEC"), the officers of the Company, be, and each of them hereby is, authorized to prepare, execute and file with the SEC one or more registration statements with respect thereto, each including a prospectus, on such form or forms as the officers of the Company determine to be advisable, and any and all amendments and supplements thereto, as such officers may deem necessary or desirable, together with any and all exhibits and documents related thereto, pursuant to the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder; and further

RESOLVED, That the Company, for the purposes of complying with the requirements of the blue sky laws of various states and/or other jurisdictions in connection with applications to register one or more new series or sub-series of the Bonds or Preferred Stock, does hereby irrevocably authorize the President or any Vice President, the Treasurer or any Assistant Treasurer and/or the Secretary or any Assistant Secretary, or any of them, to execute for and on behalf of the Company, any necessary forms and/or other papers designated by the respective securities regulatory authorities of such states

and/or jurisdictions, including consents to service of process, needed for the registration of such Bonds or Preferred Stock, and such officers of the Company, or any of them, are authorized to do everything necessary and proper to facilitate any public offering thereof in the various states and/or jurisdictions; and further

RESOLVED, That the officers of the Company be, and each of them hereby is, authorized and empowered, for and on behalf of the Company, to take or cause to be taken all steps and proceedings, and to do all such acts and things and to execute all such documents and instruments, as in their judgment may be necessary or appropriate to carry out and effectuate the purposes of the foregoing resolutions and the transactions contemplated thereby.

DIRECTORS

Hugh T. McDonald

Leo P. Denault

Mark T. Savoff

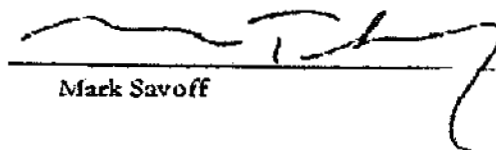
Gary J. Taylor

Unanimous Written Consent of
the Board of Directors of Entergy Arkansas, Inc.



Hugh T. McDonald

Leo P. Denault

Gary J. Taylor

Mark Savoff

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)
OF ENTERGY ARKANSAS, INC. FOR)
AUTHORIZATION TO ENTER INTO)
CERTAIN FINANCING TRANSACTIONS)
BETWEEN JANUARY 1, 2010, AND)
DECEMBER 31, 2012)

DOCKET NO. 09-068 -U

EAI EXHIBIT C
ESTIMATED OFFERING EXPENSES

ESTIMATE OF ISSUANCE EXPENSES*

	<u>INITIAL SERIES</u>	<u>EACH SUBSEQUENT SERIES</u>
FIRST MORTGAGE BONDS	\$431,000	\$285,000
PREFERRED STOCK	\$339,000	\$310,000
COMMON STOCK	\$35,000	\$25,000
TAX-EXEMPT BONDS, COLLATERAL BONDS	\$285,000	\$270,000

• The estimates of expenses in this exhibit were developed by category and reflect assumptions specific to each category. EAI Exhibit D-1 and EAI Exhibit D-2 reflect total expenses of issuance for all of the securities in the proposed plan. Total expenses were derived from these estimates. Total expenses are the sum of the Initial Series expenses listed above, plus an estimated number of subsequent issuances multiplied by the amount indicated in Each Subsequent Series above, plus an estimate of underwriting expenses.

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)
OF ENTERGY ARKANSAS, INC. FOR)
AUTHORIZATION TO ENTER INTO)
CERTAIN FINANCING TRANSACTIONS)
BETWEEN JANUARY 1, 2010, AND)
DECEMBER 31, 2012)

DOCKET NO. 09-068-U

EAI EXHIBIT D

- (1) Balance Sheet as of March 31, 2009, and Pro Forma
- (2) Income Statement for the Twelve Months Ending March 31, 2009, and Pro Forma
- (3) Detail of Long-Term Debt as of March 31, 2009, and Pro Forma

ENTERGY ARKANSAS, INC.
BALANCE SHEET
AS OF MARCH 31, 2009
(\$ IN THOUSANDS)

EAI Exhibit D-1
Page 1 of 2

ASSETS	PER BOOKS	ADJUSTMENTS TO REFLECT SCHEDULED TRANSACTIONS	ADJUSTMENTS TO REFLECT PROPOSED TRANSACTIONS	PRO FORMA
CURRENT ASSETS				
Cash and cash equivalents:				
Cash	14			14
Temporary cash investments - at cost, which approximates market	92,201		916,920	1,009,121
Total cash and cash equivalents	92,215	-	916,920	1,009,135
Accounts receivable:				
Customer	118,244			118,244
Allowance for doubtful accounts	(19,836)			(19,836)
Associated companies	102,356			102,356
Other	60,566			60,566
Accrued unbilled revenues	55,181			55,181
Total accounts receivable	316,511	-		316,511
Deferred fuel costs	3,941			3,941
Fuel inventory - at average cost	31,310			31,310
Materials and supplies - at average cost	127,684			127,684
Deferred nuclear refueling outage costs	34,372			34,372
System agreement cost equalization	394,000			394,000
Prepayments and other	24,477			24,477
TOTAL	1,024,510		916,920	1,941,430
OTHER PROPERTY AND INVESTMENTS				
Investment in affiliates - at equity	11,200			11,200
Decommissioning trust funds	373,191			373,191
Non-utility property - at cost (less accumulated depreciation)	1,438			1,438
Other	5,391			5,391
TOTAL	391,220	-	-	391,220
UTILITY PLANT (AT ORIGINAL COST)				
Electric	7,562,621			7,562,621
Construction work in progress	156,349			156,349
Nuclear fuel	10,561			10,561
TOTAL UTILITY PLANT - EXCLUDING CAPITAL LEASES	7,729,531	-	-	7,729,531
Less - accumulated depreciation and amortization	3,521,474			3,521,474
NET UTILITY PLANT - EXCLUDING CAPITAL LEASES	4,208,057			4,208,057
Property under capital lease	1,405			1,405
Nuclear fuel under capital lease	109,041			109,041
UTILITY PLANT - NET	4,318,503	-	-	4,318,503
DEFERRED DEBITS AND OTHER ASSETS				
Regulatory assets:				
SFAS 109 regulatory asset - net	52,200			52,200
Other regulatory assets	733,100			733,100
Other	40,191		9,586	49,777
TOTAL	825,491	-	9,586	835,077
TOTAL ASSETS	6,559,724	-	926,506	7,486,230

ENTERGY ARKANSAS, INC.
BALANCE SHEET
AS OF MARCH 31, 2009
(\$ IN THOUSANDS)

EAI Exhibit D-1
Page 2 of 2

	PER BOOKS	ADJUSTMENTS TO REFLECT SCHEDULED TRANSACTIONS	ADJUSTMENTS TO REFLECT PROPOSED TRANSACTIONS	PRO FORMA
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable:				
Associated companies	421,737			421,737
Other	151,072			151,072
Customer deposits	61,998			61,998
Taxes accrued	-			-
Accumulated deferred income taxes	172,522			172,522
Interest accrued	22,794			22,794
Obligations under capital leases	60,278			60,278
Other	15,936			15,936
TOTAL	906,337	-	-	906,337
NON-CURRENT LIABILITIES				
Accumulated deferred income taxes and taxes accrued	1,365,277			1,365,277
Accumulated deferred investment tax credits	50,888			50,888
Obligations under capital leases	50,168			50,168
Other regulatory liabilities	8,113			8,113
Decommissioning	540,941			540,941
Accumulated provisions	12,678			12,678
Pension and other postretirement liabilities	440,482			440,482
Long-term debt (schedule attached)	1,618,230		610,500	2,228,730
Other	41,849			41,849
TOTAL	4,128,626	-	610,500	4,739,126
Commitments and contingencies				
SHAREHOLDERS' EQUITY				
Preferred stock without sinking fund	116,350		120,000	236,350
Common stock, \$0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2006	470	-	160	630
Paid-in capital	588,444	-	195,846	784,290
Retained earnings	819,497			819,497
TOTAL	1,524,761	-	316,006	1,840,767
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,559,724	-	926,506	7,486,230

ENTERGY ARKANSAS, INC.
INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED MARCH 31, 2009
(IN THOUSANDS)

STATEMENT OF INCOME	PER BOOKS	ADJUSTMENTS TO REFLECT SCHEDULED TRANSACTIONS	ADJUSTMENTS TO REFLECT PROPOSED TRANSACTIONS	PRO FORMA
OPERATING REVENUES				
Domestic Electric	\$2,364,969	\$ -	\$ -	\$2,364,969
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel and fuel-related expenses	385,141			385,141
Purchased power	881,466			881,466
Nuclear refueling outage expenses	32,174			32,174
Other operation and maintenance	525,243			525,243
Decommissioning	35,674			35,674
Taxes other than income taxes	91,218			91,218
Depreciation and amortization	242,292			242,292
Other regulatory credits	(31,127)			(31,127)
TOTAL	2,162,081	-	-	2,162,081
OPERATING INCOME	202,888	-	-	202,888
OTHER INCOME				
Allowance for equity funds used during construction	6,256			6,256
Interest and dividend income	19,141		57,766	76,907
Miscellaneous - net	(4,645)			(4,645)
TOTAL	20,752	-	57,766	78,518
INTEREST AND OTHER CHARGES				
Interest on long-term debt	82,529		35,074	117,603
Other interest - net	6,523			6,523
Allowance for borrowed funds used during construction	(3,564)			(3,564)
TOTAL	85,488	-	35,074	120,562
INCOME BEFORE INCOME TAXES	138,152	-	22,692	160,844
Income taxes	97,648	-	8,929	106,577
NET INCOME	40,504	-	13,763	54,267
Preferred dividend requirements and other	6,873	-	12,000	18,873
EARNINGS APPLICABLE TO COMMON STOCK	\$33,631	\$ -	\$ 1,763	\$35,394

ENTERGY ARKANSAS, INC.
DETAIL OF LONG-TERM DEBT
AS OF MARCH 31, 2009
(\$ IN THOUSANDS)

LONG-TERM DEBT	PER BOOKS	ADJUSTMENTS TO REFLECT SCHEDULED TRANSACTIONS	ADJUSTMENTS TO REFLECT PROPOSED TRANSACTIONS	PRO FORMA
First Mortgage Bonds				
4.50% Series due 2010	100,000	-	(100,000)	-
5.40% Series due 2013	300,000	-	-	300,000
5.40% Series due 2018	150,000	-	-	150,000
5.00% Series due 2018	115,000	-	-	115,000
5.66% Series due 2025	175,000	-	-	175,000
6.70% Series due 2032	100,000	-	(100,000)	-
6.00% Series due 2032	100,000	-	(100,000)	-
5.90% Series due 2034	100,000	-	(40,000)	60,000
6.38% Series due 2034	60,000	-	(60,000)	-
Various series due at various dates (assumed 6% rate)	-	-	800,000	800,000
TOTAL FIRST MORTGAGE BONDS	1,200,000	-	400,000	1,600,000
Governmental Bonds				
Pope County, Arkansas 6.30% Series due 2016	19,500	-	(19,500)	-
Jefferson County, Arkansas 4.60% Series due 2017	54,700	-	-	54,700
Pope County, Arkansas 6.30% Series due 2020	120,000	-	(120,000)	-
Independence County, Arkansas 5.0% Series due 2021	45,000	-	-	45,000
Various series due at various dates (assumed 5.5% rate)	-	-	350,000	350,000
TOTAL GOVERNMENTAL BONDS	239,200	-	210,500	449,700
Nuclear Fuel Disposal Costs - DOE	180,451	-	-	180,451
Amount due within one year	-	-	-	-
Unamortized premium and discount on debt - net	(1,421)	-	-	(1,421)
TOTAL LONG-TERM DEBT	\$1,618,230	\$ -	\$ 610,500	\$2,228,730

PREFERRED STOCK WITHOUT SINKING FUND	PER BOOKS	ADJUSTMENTS TO REFLECT SCHEDULED TRANSACTIONS	ADJUSTMENTS TO REFLECT PROPOSED TRANSACTIONS	PRO FORMA
Cumulative, \$100 Par				
4.32% Series	7,000	-	-	7,000
4.72% Series	9,350	-	-	9,350
4.56% Series	7,500	-	-	7,500
4.56% 1965 Series	7,500	-	-	7,500
6.08% Series	10,000	-	-	10,000
Various series (assumed 10% dividend rate)	-	-	120,000	120,000
Cumulative, \$25 Par				
6.45% Series	75,000	-	-	75,000
TOTAL PREFERRED STOCK WITH SINKING FUND	116,350	-	120,000	236,350

JUL 10 4 03 PM '09

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE APPLICATION)
OF ENTERGY ARKANSAS, INC. FOR)
AUTHORIZATION TO ENTER INTO)
CERTAIN FINANCING TRANSACTIONS)
BETWEEN JANUARY 1, 2010 AND)
DECEMBER 31, 2012)

DOCKET NO. 09-068-U

DIRECT TESTIMONY

OF

STEVEN C. MCNEAL

VICE PRESIDENT AND TREASURER

ENTERGY ARKANSAS, INC.

ON BEHALF OF

ENTERGY ARKANSAS, INC.

JULY 10, 2009

1 **I. INTRODUCTION AND BACKGROUND**

2 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
3 OCCUPATION.

4 A. My name is Steven C. McNeal. My business address is 639 Loyola
5 Avenue, New Orleans, Louisiana, 70113. I am Vice President and
6 Treasurer of Entergy Corporation, Entergy Arkansas, Inc. ("EAI" or the
7 "Company"), Entergy Gulf States Louisiana, L.L.C. ("EGSL"), Entergy
8 Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc.,
9 Entergy Texas, Inc. ("ETI"), System Energy Resources, Inc., Entergy
10 Services, Inc. ("ESI"),¹ and various other Entergy affiliates.

11
12 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND,
13 PROFESSIONAL QUALIFICATIONS, AND PROFESSIONAL
14 EXPERIENCE.

15 A. I received a Bachelors of Science degree in Business and History from
16 Trinity University in San Antonio in 1979. I received an M.B.A. from
17 Tulane University in 1981.

18 I began my employment with ESI in January 1982. Since then, I
19 have held positions in Financial Planning, Risk Management, Corporate
20 Finance, and Treasury. I was named Vice President and Treasurer in
21 1998.

¹ ESI is an affiliate of EAI that provides technical and administrative service to all the Entergy Operating Companies.

1 In my present position, I am responsible for treasury functions,
2 including executing financial strategies, arranging financings, performing
3 financial analyses, managing rating agency relations, managing
4 investment activities, overseeing cash management, managing bank
5 relations and managing financial liabilities.

6 I have oversight responsibilities for the execution of financings for
7 Entergy Corporation's domestic utilities and have executed certain
8 financings for other subsidiaries. As a part of this activity, I have regular
9 dialogue with capital market participants, including lenders, investment
10 bankers and institutional investors. I also have maintained active dialogue
11 with the bond rating agencies on behalf of Entergy Corporation and its
12 subsidiaries.

13
14 Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

15 A. I am testifying on behalf of EAI.
16

17 Q. HAVE YOU PREVIOUSLY TESTIFIED IN A REGULATORY
18 PROCEEDING?

19 A. Yes. I have submitted testimony to the Arkansas Public Service
20 Commission ("APSC" or the "Commission") in connection with the
21 application of EAI for authorization to enter into certain financing
22 transactions in APSC Docket Nos. 95-594-U, 99-234-U, 01-221-U, 03-
23 093-U, 03-139-U, and 06-096-U. I have filed testimony with the APSC in

1 connection with the proposal for an independent electric transmission
2 company (APSC Docket No. 00-383-U) and with EAI's Application for
3 Approval of Synthetic Railcar Lease (APSC Docket No. 02-224-U). I have
4 also filed testimony before the retail regulators of EAI's affiliates on a
5 variety of financial issues. For example, I have filed testimony (i) with the
6 APSC, Louisiana Public Service Commission ("LPSC"), Mississippi Public
7 Service Commission, and the Council of the City of New Orleans in
8 connection with the proposal for an independent coordinator of
9 transmission for the Entergy Operating Companies'² transmission
10 facilities, (ii) with the Public Utility Commission of Texas ("PUCT") and the
11 LPSC supporting the jurisdictional separation plans of an affiliate, Entergy
12 Gulf States, Inc. ("EGSI"), (iii) with the PUCT relating to EGSI's unbundled
13 cost of service filing, 2004 and 2007 rate cases, and Texas securitization
14 filing, and (iv) with the LPSC with respect to the ninth earnings review of
15 the merger with EGSI and a storm cost recovery filing.

16
17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?

18 A. The purpose of my direct testimony is to support EAI's Application in this
19 Docket requesting APSC authorization for EAI to issue certain securities
20 up to specified maximum limits. Specifically, I will describe the securities

² The Entergy Operating Companies include EAI; Entergy Gulf States Louisiana, L.L.C.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc.

1 that EAI proposes to issue and sell and the Company's reasons for
2 requesting the authorization.

3
4 **II. GENERAL INFORMATION REGARDING THE PROPOSED**
5 **TRANSACTIONS**

6 Q. WHY HAS EAI FILED AN APPLICATION SEEKING AUTHORIZATION
7 TO ISSUE THE PROPOSED SECURITIES IN THE AMOUNTS
8 REQUESTED?

9 A. This Application is intended to address EAI's general financing needs for
10 the next three years, beginning January 1, 2010, and ending
11 December 31, 2012. With the fluctuations in capital markets, EAI may
12 have opportunities to reduce its financing costs and increase its financial
13 flexibility. Thus, EAI is requesting authorization to issue and sell first
14 mortgage bonds, preferred stock, common stock, and tax-exempt bonds
15 up to certain specified amounts. The proceeds from such transactions
16 would, among other things, permit EAI to acquire, redeem, or refund
17 outstanding securities.

18
19 Q. WHY IS THE COMPANY SEEKING TO CONTINUE WITH A THREE-
20 YEAR AUTHORIZATION PERIOD?

21 A. The APSC's Order No. 2 in Docket No. 06-096-U provided a three-year
22 financing authorization period. A three-year term permits the Company to
23 maintain financial flexibility in managing its debt structure as a vertically

1 integrated entity. As such, a three-year authorization period assists in
2 planning the Company's debt structure to take advantage of markets or
3 issue new debt as appropriate.

4
5 Q. WHAT IS MEANT BY THE TERM "FINANCIAL FLEXIBILITY"?

6 A. This term refers to the Company's ability to select the timing, terms and
7 conditions, and amounts of offerings of any of several types of securities.
8 Apart from the breadth and term of its regulatory authorization, the
9 Company's financial flexibility can be affected by several factors, including
10 the credit ratings of the Company, the amount of short-term debt
11 outstanding or available for issuance by the Company at any given point in
12 time, the coverage ratios associated with the sale of first mortgage bonds
13 or preferred stock, the capital structure of the Company, specifically the
14 ratio of debt to equity, the length of time required to obtain funds through a
15 particular financial market, and, of course, overall market conditions.

16 With adequate financial flexibility, EAI can take advantage of
17 favorable interest rate fluctuations to refund its higher cost debt. If the
18 authorization sought by the Application is granted, by "pre-registering" an
19 amount of securities greater than its immediate needs with the Securities
20 and Exchange Commission ("SEC"), EAI could, for example, sell a
21 particular series of bonds with a shorter lead-time than if an initial
22 registration of each series were required. This procedure affords EAI
23 financial flexibility that makes it possible to take advantage of desirable

1 interest rates, and to finance optimal amounts each time securities are
2 sold. The more financial flexibility the Company has, the better the
3 Company will be able to plan ahead, and for that reason and those
4 discussed above, EAI is seeking financing authority for the next three
5 years.

6
7 Q. ARE THERE SPECIFIC EXAMPLES OF BENEFITS THAT EAI HAS
8 ACHIEVED DUE TO FINANCIAL FLEXIBILITY OBTAINED BY HAVING A
9 MULTI-YEAR AUTHORIZATION?

10 A. Yes. Due to the financial flexibility that the previously authorized finance
11 plan provided, EAI was able to access the capital markets in July 2008 to
12 fund the acquisition of and improvements to the Ouachita Generating
13 Facility. The capital markets were extremely volatile in 2008. Because
14 EAI had sufficient authorization to finance in place, the Company was able
15 to find a window of opportunity to issue bonds prior to the closing of the
16 transaction.

17
18 Q. WHAT TYPES OF SECURITIES HAVE TRADITIONALLY BEEN USED
19 BY UTILITIES TO ADDRESS THEIR EXTERNAL FINANCING NEEDS?

20 A. Utilities have traditionally used four forms of long-term financing to fund
21 their cash requirements: common stock, preferred stock, first mortgage
22 bonds, and tax-exempt bonds, all of which will be discussed later in my
23 testimony.

1

2 Q. HOW WILL THE COMPANY USE THE CAPITAL RAISED BY THE
3 ISSUANCE OF THE SECURITIES DESCRIBED ABOVE?

4 A. The Company proposes to use the proceeds derived from the issuance
5 and sale of the securities, as proposed in the Application, for general
6 corporate purposes, including, but not limited to, the possible acquisition,
7 redemption, and refunding of certain outstanding securities, for both
8 economic refundings and reissuances of debt maturities; for restructuring
9 debt to provide more flexibility; to fund capital expenditures and working
10 capital needs; and to finance unanticipated events, such as emergency
11 restoration. The Company is requesting authorization for such securities
12 sales primarily to achieve the flexibility that will permit a timely response to
13 changing market conditions when it becomes beneficial for the Company
14 to refinance, refund or otherwise acquire outstanding higher cost
15 securities.

16 EAI does not have any current plans to issue any additional new
17 debt with two possible exceptions: (1) storm cost securitization bonds,
18 which are not addressed in this Application and would be addressed in a
19 separate filing, and (2) First Mortgage Bonds and/or tax-exempt and
20 associated collateral bonds to finance certain expenditures related to the
21 installation of the Environmental Controls Project at EAI's White Bluff
22 Steam Electric Station.

23

1 Q. WHAT IS THE AUTHORIZATION LIMIT FOR EACH TYPE OF
2 SECURITY SOUGHT BY THE COMPANY?

3 A. The Company seeks authorization to issue \$800 million of first mortgage
4 bonds, \$350 million of tax-exempt bonds, \$400 million of collateral bonds,
5 \$120 million of preferred stock, and \$200 million of common stock. Within
6 the first mortgage bond authorization, EAI seeks authorization to issue up
7 to \$400 million in bonds for refinancing purposes and an additional \$400
8 million in bonds to provide flexibility under special circumstances, such as
9 emergency restoration.

10
11 Q. ARE THESE AUTHORIZATION LIMITS CONSISTENT WITH PREVIOUS
12 FINANCING AUTHORIZATIONS GRANTED EAI BY THE APSC?

13 A. Yes, they are.
14

15 **III. FIRST MORTGAGE BONDS**

16 Q. IS ANY OF EAI'S PROPERTY SUBJECT TO A MORTGAGE?

17 A. Yes. The sale of first mortgage bonds (the "Bonds" or "First Mortgage
18 Bonds") is governed by the Company's Mortgage and Deed of Trust dated
19 October 1, 1944, to Guaranty Trust Company of New York (Deutsche
20 Bank Trust Company Americas, successor) and Henry A. Theis (Stanley
21 Burg, successor), Co-Trustee, and Marvin A. Mueller (The Bank of New
22 York Mellon Trust Company, National Association, successor), Co-Trustee
23 as to certain Missouri property, as Trustee, as heretofore supplemented

1 and as proposed to be further supplemented by appropriate supplemental
2 indentures thereto (the "Mortgage").

3 The Mortgage constitutes a first mortgage lien on all of the
4 properties presently owned by EAI (except as stated below), subject to
5 (a) leases of minor portions of the Company's property to others for uses
6 which do not interfere with the conduct of the Company's business,
7 (b) leases of certain EAI property not used in its electric utility business,
8 and (c) excepted encumbrances. There are excepted from the lien of the
9 Mortgage all cash and securities; certain equipment, fuel, materials, or
10 supplies; automobiles and other vehicles and aircraft; timber, minerals,
11 mineral rights, and royalties; receivables, contracts, leases and operating
12 agreements; and certain unimproved lands sold or to be sold. The
13 Mortgage contains provisions for encumbering after-acquired property by
14 the lien thereof, subject to limitation in the case of consolidation, merger,
15 or sale of substantially all of EAI's assets. The aggregate amount of First
16 Mortgage Bonds issued and outstanding under the Mortgage as of
17 June 30, 2009, is \$1,321 million (including \$121 million of Collateral
18 Bonds), all of which is secured by the lien of the Mortgage.

19
20 Q. DOES EAI'S MORTGAGE IMPOSE ANY RESTRICTIONS ON THE
21 AMOUNT OF FIRST MORTGAGE BONDS THAT MAY BE ISSUED?

22 A. Yes. There are two principal restrictions, one of which relates to
23 maintaining adequate interest coverage and the other of which relates to

1 fundable property requirements. Pursuant to the Mortgage, additional
2 Bonds may not be issued unless EAI's adjusted net earnings for any 12
3 consecutive months within the 15 months immediately preceding the
4 issuance of the additional Bonds have been at least twice the amount of
5 the annual interest requirements on all outstanding Bonds, including the
6 annual interest on the additional Bonds being issued and any
7 indebtedness of prior rank. EAI's adjusted net earnings are accounted for
8 as "Net Utility Operating Income," excluding the effects of income taxes
9 while including a minor portion of "Other Income" that normally consists
10 primarily of Allowance for Funds Used During Construction.

11
12 Q. PLEASE EXPLAIN THE SECOND PRINCIPAL RESTRICTION OF THE
13 MORTGAGE TO WHICH YOU REFERRED EARLIER.

14 A. The Mortgage prohibits the issuance of First Mortgage Bonds in an
15 amount in excess of 60 percent of the value of specifically identified
16 fundable property, as determined in accordance with the Mortgage.
17 Fundable property is, essentially, real or personal property of the
18 Company subject to the lien of the Mortgage.

1 Q. ARE THERE OTHER RESTRICTIONS ON THE ISSUANCE OF FIRST
2 MORTGAGE BONDS BY THE COMPANY?

3 A. Yes. This Commission and the Tennessee Regulatory Authority ("TRA"),
4 regulate the issuance of all securities by the Company, including First
5 Mortgage Bonds.

6
7 **IV. PREFERRED STOCK**

8 Q. PLEASE DESCRIBE EAI'S PREFERRED STOCK AND THE NATURE
9 AND EXTENT OF ITS PREFERENCE OVER COMMON STOCK.

10 A. EAI's Amended and Restated Articles of Incorporation (the "Charter")
11 provides for the issuance of three classes of preferred stock: Class A
12 Preferred Stock, \$100 Preferred Stock, and \$25 Preferred Stock
13 (collectively, "Preferred Stock"). No dividends are paid on EAI's common
14 stock until dividends have been paid to the preferred shareholders.
15 Dividends on the Preferred Stock are cumulative. Preferred Stock also
16 has a preference over common stock until an amount equal to the then
17 current redemption price shall have been paid in the event of voluntary
18 liquidation, dissolution, or winding up of the Company. In the event of an
19 involuntary liquidation, dissolution, or winding up of the Company,
20 Preferred Stock has a preference over common stock until payment of the
21 full par value in the case of \$100 Preferred Stock and \$25 Preferred
22 Stock, and the full liquidation value in the case of Class A Preferred Stock,
23 plus an amount equal to all accumulated and unpaid dividends.

1

2 Q. WHAT LIMITATIONS EXIST ON THE COMPANY'S ABILITY TO SELL
3 ADDITIONAL PREFERRED STOCK?

4 A. The Charter provides, among other things, that additional Preferred Stock
5 may not be issued unless the gross income of the Company for a period of
6 12 consecutive months within the 15 months immediately preceding the
7 issuance of the additional Preferred Stock is equal to at least one and
8 one-half times the aggregate of the Company's annual interest charges on
9 all bonds, debentures, notes, and other securities and annual preferred
10 dividend requirements for the outstanding shares of Preferred Stock,
11 including the dividends on the new Preferred Stock to be issued. Gross
12 income is approximately the net income of the Company plus interest
13 expense on any debt that the sale of the Preferred Stock is to displace.

14

15 V. **COMMON STOCK**

16 Q. PLEASE DESCRIBE THE PROCEDURES UTILIZED BY EAI TO SELL
17 ITS COMMON STOCK.

18 A. EAI is a wholly owned subsidiary of Entergy Corporation. As such,
19 Entergy Corporation owns all of the common stock ("Common Stock") of
20 EAI. Sales of Common Stock are made pursuant to a letter agreement
21 between the two companies. Regulatory approvals, including this
22 Commission's approval, are required to make such sales.

23

1 **VI. TAX-EXEMPT BONDS**

2 Q. WHAT ARE TAX-EXEMPT BONDS?

3 A. Tax-exempt bonds are bonds sold by governmental entities to finance the
4 construction of certain facilities that qualify for tax-exempt financing, as
5 determined by Internal Revenue Service ("IRS") rules and regulations
6 ("Tax-Exempt Bonds"). Under normal circumstances, these Tax-Exempt
7 Bonds generally bear a lower interest rate than First Mortgage Bonds
8 because the interest paid on these securities is exempt from Federal
9 income taxes. Under the Federal tax laws, the amount of tax-exempt
10 financing available to EAI is limited by the amount of EAI's property that
11 qualifies under the IRS rules.

12
13 Q. HOW ARE TAX-EXEMPT BONDS TYPICALLY ISSUED?

14 A. Typically, EAI sells the qualifying facilities to the county in which they are
15 located. The county then issues the Tax-Exempt Bonds to finance its
16 purchase of the facilities from the Company. The county then sells the
17 facilities back to the Company by means of an installment sale agreement
18 or loan agreement that requires the Company to pay the county an
19 amount equal to the accruing interest and principal installments on the
20 bonds sold by the county.

1 Q. IS EAI CONSIDERING ANY CREDIT ENHANCEMENTS IN
2 CONNECTION WITH TAX-EXEMPT BONDS?

3 A. Yes. There are several alternatives available whereby a more favorable
4 rating might be obtained for one or more series of the Tax-Exempt Bonds.
5 One alternative is to arrange for an irrevocable letter of credit to be issued
6 to the trustee for the Tax-Exempt Bonds. Other alternatives would include
7 the purchase of an insurance policy for the payment of the amounts due to
8 holders of the bonds; the issuance one or more new series of EAI's First
9 Mortgage Bonds that are pledged to the trustee to provide the holders with
10 security equivalent to the security afforded holders of First Mortgage
11 Bonds; or the granting of a subordinated lien on some or all of EAI's
12 property, or some other form of collateral. First Mortgage Bonds pledged
13 as a credit enhancement for Tax-Exempt Bonds are referred to as
14 Collateral Bonds.

15
16 **VII. SUMMARY AND CONCLUSION**

17 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

18 A. EAI's overall financing goal is to meet its liquidity and working capital
19 requirements and to achieve a low cost of capital. EAI believes that it can
20 best accomplish that goal by enhancing its financial flexibility. Capital
21 markets are constantly changing and economic conditions sometimes
22 offer opportunities to decrease costs and/or to issue securities with terms
23 more flexible to the issuer than at other times.

1 The Company's financial plan is designed to allow the Company to
2 issue securities primarily for the purpose of refunding outstanding
3 securities and for other corporate purposes as mentioned previously in
4 this testimony with the most cost effective and financially flexible structure
5 available at the time. Approval of this plan would provide the Company
6 with the continued financial flexibility to take advantage of opportunities to
7 reduce financing costs to the benefit of EAI and its customers. For these
8 reasons, the Company believes it to be in the public interest for this
9 Application to be approved by the Commission. I would ask that the
10 APSC issue an order by September 15, 2009, so that EAI can proceed to
11 secure approval by the TRA through a similar application. The TRA
12 usually does not act on an application by EAI until the APSC has granted
13 approval. A final order of the TRA approving EAI's Application would not
14 become effective until 60 days after issuance. This timing should allow for
15 EAI to have financing authorization in place by the end of this year, when
16 its current authorization expires.

17
18 Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

19 A. Yes.

CERTIFICATE OF SERVICE

I, David E. Hunt, do hereby certify that a copy of the foregoing has been served upon all parties of record this 10th day of July 2009.

David E. Hunt

David E. Hunt