

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 2, 2009

IN RE:)	
)	
ENTERGY ARKANSAS, INC. REQUEST)	DOCKET NO.
FOR APPROVAL TO ENTER INTO CERTAIN)	09-00098
FINANCING TRANSACTIONS DURING THE)	
YEARS 2010 THROUGH 2012)	

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before Chairman Sara Kyle, Director Kenneth C. Hill and Director Mary W. Freeman of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on October 26, 2009 for consideration of the *Application* of Entergy Arkansas, Inc. (“EAI,” “Entergy,” or “Company”) for an order, pursuant to Tenn. Code Ann. § 65-4-109 (2004), authorizing the issuance of securities and the assumption of obligations.

THE APPLICATION

EAI is an electric utility primarily serving customers in Arkansas, with only nineteen customers in the State of Tennessee. In its *Application*,¹ filed with the TRA on July 13, 2009, EAI requests that the TRA issue an order authorizing EAI to issue or sell between January 1, 2010 and December 31, 2012: (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

¹ On September 14, 2009, the Arkansas Public Service Commission (“APSC”) issued an order approving these financing transactions and imposing its traditional reporting requirements on the transactions.

circumstances, such as emergency restoration; (ii) preferred stock with aggregate par value not to exceed \$120 million; (iii) common stock, not to exceed 16 million shares at a minimum price of \$12.50 per share, resulting in a maximum issuance value of \$200 million; and (iv) tax exempt bonds with aggregate principal under \$350 million and collateral bonds in an aggregate amount not to exceed \$400 million in principal.

According to the *Application*, some of the proceeds would 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 refinance unanticipated events, such as emergency restoration.

FINDINGS AND CONCLUSIONS

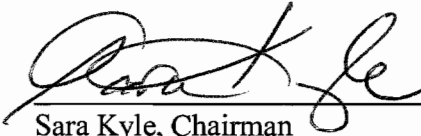
Tenn. Code Ann. § 65-4-109 (2004) provides:

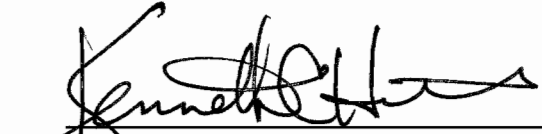
No public utility shall issue any stocks, stock certificates, bonds debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after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

At a regularly scheduled Authority Conference held on October 26, 2009, the panel found that (1) the financing transactions are subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109 (2004); (2) the transactions are being made in accordance with the laws enforceable by this agency; (3) the transactions are in the public interest as they provide Entergy flexibility to enter financial markets to reduce capital costs as opportunities present themselves; and (4) Entergy shall be bound by the same filing requirements imposed by the APSC. Based on its findings, the panel voted unanimously to approve the financing transactions consistent with the September 14, 2009 order issued by the APSC, including filing requirements.

IT IS THEREFORE ORDERED THAT:

1. Entergy Arkansas, Inc. is authorized to enter into financing transactions between January 1, 2010 and December 31, 2012 as described in the *Application* and discussed herein.
2. The terms of said financing transactions shall be as described in the *Application*.
3. Entergy Arkansas, Inc. shall file copies of any reports that it is required to provide to the Arkansas Public Service Commission related to this Docket.
4. The authorization given hereby shall not be used by any party for the purpose of inferring an analysis or assessment of the risks involved. Nothing herein creates or is intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee, or any political subdivision thereof.


Sara Kyle, Chairman


Kenneth C. Hill, Director


Mary W. Freeman, Director