

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 24, 2012

IN RE:

**APPLICATION OF ENTERGY ARKANSAS, INC.
FOR AUTHORIZATION TO ENTER INTO CERTAIN
FINANCING TRANSACTIONS DURING THE YEARS
2013 THROUGH 2015**

**DOCKET NO.
12-00109**

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before Director Sara Kyle, Director Herbert H. Hilliard and Director James M. Allison 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 15, 2012 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 certain financing transactions.

THE APPLICATION

EAI is an electric utility primarily serving customers in Arkansas, with only eight customers in the State of Tennessee, as of August 31, 2012. In its *Application*, filed with the TRA on September 14, 2012, EAI requests that the TRA issue an order authorizing EAI to issue up to \$700 million in long-term debt, preferred stock not to exceed \$120 million, common stock not to exceed \$200 million, up to \$350 million in tax-exempt bonds and up to \$400 million in bonds as collateral for the tax-exempt bonds, between the period of January 1, 2013 and December 31, 2015.¹

¹ On September 13, 2012, the Arkansas Public Service Commission (“APSC”) issued an order in APSU Docket No. 12-059-U approving the same financing transactions and imposing reporting requirements on the transactions.

According to the *Application*, the proceeds will be used for general corporate purposes, including but not limited to, providing funds to repay maturing debt, providing funds for capital investment and managing EAI's liquidity and working capital requirements. EAI notes that the proceeds of the issuance of the tax-exempt bonds will be used to construct certain pollution control or sewage and solid waste disposal facilities at EAI's generating plants or to refinance other outstanding tax-exempt bonds for that purpose. On September 13, 2012, the Arkansas Public Service Commission entered an Order approving these financing transactions in Docket No. 12-059-U.

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 15, 2012, the Directors 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; and (4) Entergy shall be bound by the same filing requirements imposed by the APSC in Docket No. 12-059-U. Based on its findings, the Directors voted unanimously to approve the financing transactions.

IT IS THEREFORE ORDERED THAT:

1. Entergy Arkansas, Inc. is authorized to enter into financing transactions between January 1, 2013 and December 31, 2015 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.

Director Sara Kyle, Director Herbert H. Hilliard and Director James M. Allison concur.

ATTEST:



Earl R. Taylor, Executive Director