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Entergy Arkansas
425 West Capitol Avenue
P.O. Box 551
Little Rock, AR 72203
Tel 501 377 4000

T.R.A. DOCKET ROOM

April 11, 2014

Chairman James M. Allison
Tennessee Regulatory Authority
502 Deaderick Street, 4th Fl.
Nashville, TN 37243

Re: Tennessee Regulatory Authority (TRA) Docket No. 12-00109
Entergy Arkansas, Inc. Request for Approval to Enter Into Certain
Financing Transactions Between January 1, 2013 and
December 31, 2015

Dear Chairman Allison:

Pursuant to the approving Order issued October 24, 2012, in TRA Docket No. 12-00109, please find attached for filing with the TRA the original and 13 copies of Entergy Arkansas, Inc.'s compliance financing report filed April 9, 2014 with the Arkansas Public Service Commission in APSC Docket No. 12-059-U.

This report is being filed in regard to the issuance of a term loan credit agreement entered into on March 14, 2014 in the amount of \$375,000,000.

If you have any questions or need additional information, please do not hesitate to call me at 501-377-5876.

Sincerely,

A handwritten signature in cursive script that reads "Laura Landreaux".

Laura Landreaux
Manager, Regulatory Affairs

Attachments

c: Mr. Jerry Kettles



Entergy

APSC FILED Time: 4/8/2014 3:22:01 PM: Recvd 4/8/2014 3:19:46 PM: Docket 12-059-U Doc 12

Entergy Arkansas, Inc.
Regulatory Affairs
425 West Capitol Avenue
P. O. Box 551
Little Rock, AR 72203-0551
Tel 501 377 4000

April 9, 2014

Mr. Dallas Heltz, Secretary
Arkansas Public Service Commission
P. O. Box 400
1000 Center Street
Little Rock, AR 72203-0400

Re: APSC Docket No. 12-059-U
Pursuant to Order No. 2
In the Matter of the Application of Entergy Arkansas, Inc.
for Authorization to Enter Into Certain Financing
Transactions Between January 1, 2013, and December 31, 2015

Dear Mr. Heltz:

Pursuant to Order No. 2 in this docket, attached is Entergy Arkansas, Inc.'s compliance report to the Arkansas Public Service Commission regarding the term loan credit agreement entered into on March 14, 2014 in the amount of \$375,000,000.

To the extent this report contains estimates, a follow up report will be filed reflecting actual expenses which will not be known for several months subsequent to closing.

Sincerely,

/s/ Laura Landreaux

Laura Landreaux
Manager, Regulatory Affairs

Attachment

c: All Parties of Record

**ENTERGY ARKANSAS, INC.
ISSUANCE OF FIRST MORTGAGE BONDS:
\$375,000,000 3.70% SERIES DUE JUNE 1, 2024**

EXECUTIVE SUMMARY

Dated March 24, 2014

TRANSACTION ANALYSIS AND RESULTS

On March 14, 2014, Entergy Arkansas, Inc. ("EAI"), issued \$375,000,000 aggregate principal amount of First Mortgage Bonds (the "Bonds") at an annual interest rate of 3.70%. EAI is using the net proceeds it received from the issuance and sale of the bonds (i) to repay all borrowings (current cost of capital of 1.1111% per year) under its fully drawn \$250 million credit facility with Wells Fargo Bank, National Association, as administrative bank, and the lenders named therein and to terminate such facility prior to its January 26, 2015 expiration date (such borrowings were incurred to pay at maturity a portion of our first mortgage bonds due August 2013 and for general corporate purposes), (ii) to redeem prior to maturity its first mortgage bonds due July 2018 in the aggregate principal amount of \$115 million bearing interest at 5% per year at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest thereon and (iii) for general corporate purposes. Pending the application of the net proceeds, EAI has invested them in short-term, highly liquid, high-rated money market instruments and/or the Entergy system money pool. The net proceeds from the issuance were approximately \$371.7 million after deducting underwriting discounts and commissions and estimated offering expenses payable by EAI. Actual expenses will not be known for several months subsequent to closing.

Subsequent to the issuance of the Bonds and assuming the application of the proceeds as described above (\$250 million of the proceeds from this issuance was used on March 19, 2014 to repay all borrowings under EAI's then fully drawn \$250 million credit facility, and on March 17, 2014, a notice of redemption with respect to all of EAI's outstanding \$115 million aggregate principal amount of first mortgage bonds due July 2018 was delivered to the holders thereof calling for redemption on April 16, 2014), \$365 million in first mortgage bonds will remain authorized under the Arkansas Public Service Commission Order issued in Docket

No. 12-059-U (the "2012 Order"). All other amounts authorized under the 2012 Order are unchanged.

SUMMARY OF TERMS

<u>Principal Amount:</u>	\$375,000,000
<u>Maturity Date:</u>	6/1/24
<u>Optional Call Provisions:</u>	Make whole call at any time prior to March 1, 2024 at a discount rate of Treasury plus 15 bps and, thereafter, at par

Underwriters:

Mitsubishi UFJ Securities (USA), Inc.
Wells Fargo Securities, LLC
BNY Mellon Capital Markets, LLC
CIBC World Markets Corp.
Stephens Inc.
SunTrust Robinson Humphrey, Inc.
U.S. Bancorp Investments, Inc.
The Williams Capital Group, L.P.

<u>10 Year Treasury Yield @ Pricing:</u>	2.779%
<u>Spread to Treasury:</u>	0.93%
<u>Yield to Public:</u>	3.709%
<u>Coupon Rate:</u>	3.70%
<u>Price to Public:</u>	99.928%
<u>Underwriters' Compensation:</u>	0.65%
<u>Proceeds to Company (before expenses):</u>	99.278% or \$372,292,500

JOURNAL ENTRIES

Exhibit A shows journal entries related to the issuance of the new series of First Mortgage Bonds.

EXHIBIT A
APSC DOCKET NO. 12-059-U

**ENTERGY ARKANSAS, INC.
ENTRIES TO RECORD THE ISSUANCE OF
\$375,000,000 FIRST MORTGAGE BONDS**

Entry No. 1

Cash	\$372,292,500	
Unamortized Discount – FMB	\$270,000	
Unamortized Debt Expense – FMB (Underwriting Fee)	\$2,437,500	
Long Term Debt - First Mortgage Bonds		\$375,000,000

To record the sale of \$375,000,000 principal amount of 3.70% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2024 and the related underwriting fee.

Entry No. 2

Unamortized Debt Expense – FMB	\$*	
Cash		\$*

To record expenses in connection with the issuance of \$375,000,000 principal amount of 3.70% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2024.

*NOTE: Total expenses are estimated to be approximately \$600,000. Actual expenses will not be known for several months subsequent to closing.

Entry No. 3

Amortization – Discount on Long Term Debt *	\$21,074	
Unamortized Discount on Long Term Debt *		\$21,074

To record the annual amortization of debt discount in connection with the issuance of \$375,000,000 principal amount of 3.70% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2024.

*NOTE: This amount represents the amount of discount that will be amortized for 2014 only. The annual amortization of the debt discount for all other years will be \$26,435.

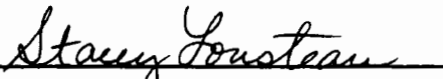
Entry No. 4

Amortization - Expenses for Long Term Debt *	\$237,085	
Unamortized Debt Expense for Long Term Debt *		\$237,085

To record the annual amortization of the underwriting fee and other issuance expenses in connection with the issuance of \$375,000,000 principal amount of 3.70% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2024.

*NOTE: This amount represents the amount of expenses that will be amortized for 2014 only. The annual amortization of the debt expense for all other years will be \$297,389. Amortization is based on underwriter fee and estimated expenses. If additional expenses are incurred, they would increase the total balance and monthly amortization.

I, Stacey Lousteau, Assistant Treasurer, attest as of the date set forth above, that the journal entries attached as Exhibit A correctly reflect the effects of the sale on March 14, 2014 of \$375,000,000, 3.70% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2024.


Stacey Lousteau
Assistant Treasurer