



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

RECEIVED

2016 FEB -2 PM 12:27

**VIA OVERNIGHT MAIL**

T.R.A. DOCKET ROOM

February 1, 2016

Chairman James M. Allison  
c/o Sharla Dillon, Dockets and Records Manager  
Tennessee Regulatory Authority  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

Re: Tennessee Regulatory Authority (TRA) Docket No. 15-00066  
Entergy Arkansas, Inc. Request for Approval to Enter Into Certain  
Financing Transactions Not Later Than December 31, 2018

Dear Chairman Allison:

Pursuant to the approving Order issued August 3, 2015, in TRA Docket No. 15-00066, please find attached for filing with the TRA the original and 4 copies (along with an electronic copy) of Entergy Arkansas, Inc.'s compliance financing report filed February 1, 2016, with the Arkansas Public Service Commission in APSC Docket No. 15-035-U.

This report is being filed in regard to the issuance of a term loan credit agreement entered into on January 8, 2016 in the amount of \$325,000,000.

If you have any questions or need additional information, please do not hesitate to call me at 501-377-3571.

Sincerely,

A handwritten signature in black ink, appearing to read "David Palmer", with a long horizontal flourish extending to the right.

David Palmer  
Manager, Regulatory Affairs

DP/ss  
Attachments

c: Mr. Jerry Kettles

**DOCUMENTS FILED BY EAI WITH THE  
ARKANSAS PUBLIC SERVICE COMMISSION  
ON FEBRUARY 1, 2016  
IN APSC DOCKET NO. 15-035-U**

**EAI'S AUTHORIZATION TO ENTER INTO CERTAIN FINANCING  
TRANSACTIONS NOT LATER THAN DECEMBER 31, 2018**



*Entergy*

APSC FILED Time: 2/1/2016 1:34:13 PM: Recvd 2/1/2016 1:33:26 PM: Docket 15-035-U-PCS-7

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

February 1, 2016

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

Re: APSC Docket No. 15-035-U  
Pursuant to Order No. 1  
In the Matter of the Application of Entergy Arkansas, Inc. for  
Authorization to Enter Into Certain Financing Transactions  
Not Later Than December 31, 2018

Dear Mr. Sappington:

Pursuant to Order No. 1 in Docket No. 15-035-U of the Arkansas Public Service Commission, attached is the Entergy Arkansas, Inc. compliance report to the Arkansas Public Service Commission regarding the January 8, 2016, issuance of \$325,000,000 aggregate principal amount of Entergy Arkansas, Inc. First Mortgage Bonds.

To the extent that this report contains estimates, a follow-up report will be filed that will reflect actual expenses that will not be known for several months subsequent to the closing of the referenced issuance.

Sincerely,

/s/ J. David Palmer

J. David Palmer  
Manager, Regulatory Affairs

Attachment

c: All Parties of Record

**ENTERGY ARKANSAS, INC.**  
**ISSUANCE OF \$325,000,000 PRINCIPAL AMOUNT OF**  
**FIRST MORTGAGE BONDS, 3.5% SERIES DUE APRIL 1, 2026**

**EXECUTIVE SUMMARY**

**Dated January 29, 2016**

**TRANSACTION ANALYSIS AND RESULTS**

On January 8, 2016, Entergy Arkansas, Inc. ("EAI") issued \$325,000,000 aggregate principal amount of its First Mortgage Bonds (the "Bonds") bearing interest at an annual rate of 3.5%. EAI is using the net proceeds it received from the issuance and sale of the Bonds (i) to finance, together with other available funds (principally from an equity contribution by Entergy Corporation, the parent company of EAI), the purchase of a power block at the Union Power Station from Union Power Partners, L.P. for a purchase price of approximately \$237,000,000 expected to close promptly following receipt of all required regulatory approvals, (ii) to redeem on February 9, 2016, prior to maturity EAI First Mortgage Bonds, 5.66% Series due February 1, 2025, in the aggregate principal amount of \$175,000,000 bearing interest at 5.66% per annum 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 the Entergy system money pool. The net proceeds from such issuance were approximately \$321,300,000 after the deduction of underwriting discounts and commissions and estimated offering expenses payable by EAI. Actual expenses will not be known for several months subsequent to the closing of such issuance.

Subsequent to the issuance of the Bonds, \$1,625,000,000 in new long-term debt will remain authorized under Arkansas Public Service Commission Order No. 1 issued in Docket No. 15-035-U (the "2015 Order"), of which no more than \$875,000,000 in aggregate may be used to retire, to redeem, or to repay principal amounts of then outstanding long-term debt. All other amounts authorized under the 2015 Order are unchanged.

**SUMMARY OF TERMS**

<b><u>Principal Amount:</u></b>	<b>\$325,000,000</b>
<b><u>Maturity Date:</u></b>	<b>April 1, 2026</b>
<b><u>Optional Call Provisions:</u></b>	<b>Make-whole call at any time prior to January 1, 2026, at a discount rate of the applicable treasury rate plus 20 basis points and thereafter at par</b>

Underwriters:

BNY Mellon Capital Markets, LLC  
Goldman, Sachs & Co.  
Scotia Capital (USA) Inc.  
Stephens Inc.  
Regions Securities LLC  
Mischler Financial Group, Inc.  
The Williams Capital Group, L.P.

U.S. Treasury Benchmark:

2.25% due November 15, 2025

Spread to U.S. Treasury Benchmark:

130 basis points

Treasury Price:

100-03

Treasury Yield:

2.239%

Re-offer Yield:

3.539%

Issue Price to Pubic:

99.671% or \$323,930,750

Underwriting Discounts and Commissions:

00.650% or \$ 2,112,500

Net Proceeds to Company (Before Expenses):

99.021% or \$321,818,250

JOURNAL ENTRIES

Exhibit A hereto sets forth journal entries related to the issuance of the Bonds.

EXHIBIT A  
APSC DOCKET NO. 15-035-U

**ENTERGY ARKANSAS, INC.  
ENTRIES TO RECORD THE ISSUANCE OF  
\$325,000,000 FIRST MORTGAGE BONDS**

**Entry No. 1**

Cash	\$321,818,250	
Unamortized Discount – FMB	\$1,069,250	
Unamortized Debt Expense – FMB (Underwriting Fee)	\$2,112,500	
Long Term Debt - First Mortgage Bonds		\$325,000,000

To record the sale of \$325,000,000 principal amount of 3.5% Entergy Arkansas, Inc. First Mortgage Bonds due April 1, 2026 and the related underwriting fee.

**Entry No. 2**

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

To record expenses in connection with the issuance of \$325,000,000 principal amount of 3.5% Entergy Arkansas, Inc. First Mortgage Bonds due April 1, 2026.

\*NOTE: Total expenses are estimated to be approximately \$550,000. Actual expenses will not be known for several months subsequent to closing.

**Entry No. 3**

Amortization – Discount on Long Term Debt *	\$102,483	
Unamortized Discount on Long Term Debt *		\$102,483

To record the annual amortization of debt discount in connection with the issuance of \$325,000,000 principal amount of 3.5% Entergy Arkansas, Inc. First Mortgage Bonds due April 1, 2026.

\*NOTE: This amount represents the amount of discount that will be amortized for 2016 only. The annual amortization of the debt discount for all other years will be \$104,515.

**Entry No. 4**

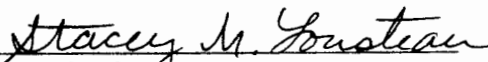
Amortization - Expenses for Long Term Debt *	\$255,189	
Unamortized Debt Expense for Long Term Debt *		\$255,189

To record the annual amortization of the underwriting fee and other issuance expenses in connection with the issuance of \$325,000,000 principal amount of 3.5% Entergy Arkansas, Inc. First Mortgage Bonds due April 1, 2026.

\*NOTE: This amount represents the amount of expenses that will be amortized for 2016 only. The annual amortization of the debt expense for all other years will be \$260,250. 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 M. Lousteau, Assistant Treasurer of EAI, attest as of the date set forth above that the journal entries attached hereto as Exhibit A correctly reflect the effects of the sale on January 8, 2016, of \$325,000,000 aggregate principal amount of Entergy Arkansas, Inc. First Mortgage Bonds, 3.5% Series due April 1, 2026.

  
Stacey M. Lousteau  
Assistant Treasurer  
Entergy Arkansas, Inc.